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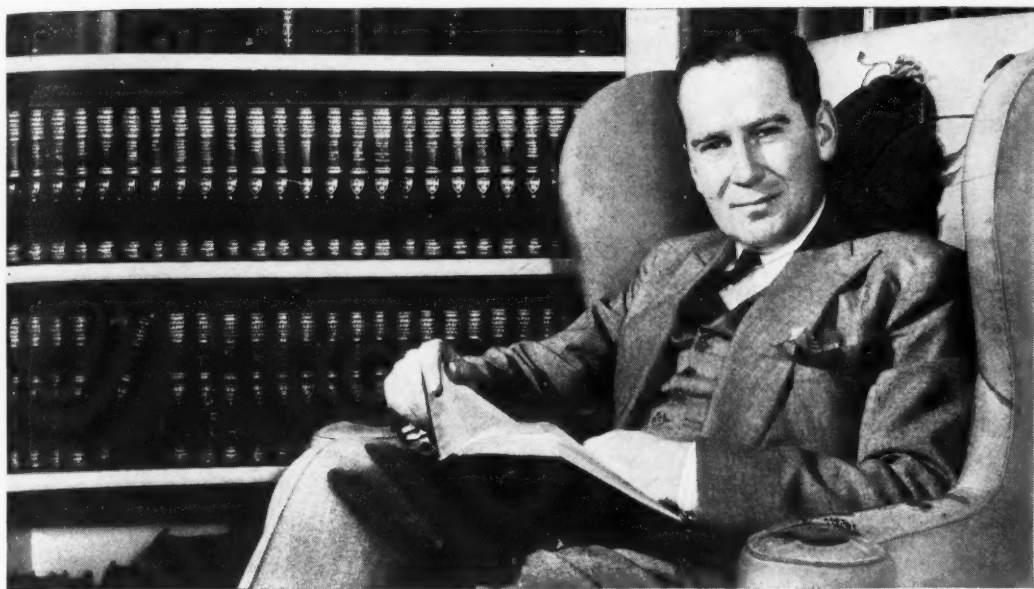
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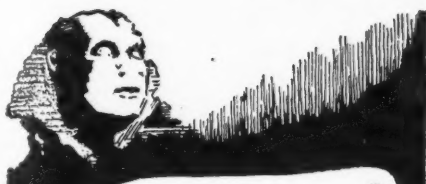
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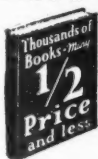
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# THE WORLD IN BOOKS . . .

By John Chamberlain

EVERY so often Sinclair Lewis is buried by the practitioners of the Higher Literary Criticism. But whatever his value may prove to be to those who teach American literature in the universities of the year A. D. 2000, it must be admitted that Sinclair Lewis is, among American authors, the greatest of contemporaries.

When Lewis wrote *Main Street* and *Babbitt*, he knew only the United States. And because the field seemed greener beyond the horizon, he more or less implied in these books that "they do things better in Europe." But when Lewis commenced to spend some of the proceeds of *Main Street* and *Babbitt* on long sojourns abroad, he discovered the whole Western World was in the same fix. He learned that barbarity and charlatanism have no national locale. Instinctively he came to know what Gustavus Myers, in *America Strikes Back* (Washburn, \$3.75), has so very well documented: that processes attendant upon the unfolding of capitalism can repeat themselves in any country, that no one nation has a monopoly of economic and political honesty. And so he was kinder to the American business man in *Dodsworth* and *Work of Art* than he had been in *Babbitt*. Having seen villages everywhere, he lost his jaundiced opinion of the American village, and today he prefers rural Vermont to the Ritz bar.

Just because the land of his birth seems no worse than the countries of Europe from the standpoint of contemporary culture and contemporary business morality, Sinclair Lewis has not gone to the other extreme and become a Meredith Nicholson "folksy" writer or a Ku Kluxer jingo. He has seen fascism sweep Central Europe, and because he knows that all men have the same latent characteristics and possibilities, he is afraid that "it might happen here."

The fear has prompted him to write a stirring book, *It Can't Happen Here* (Doubleday, Doran, \$2.50), that is half novel, half vigorous pamphleteering. Lewis's profound knowledge of American folkways is in the book. But one also sees here the hand of Dorothy Thompson, who is Mrs. Sinclair Lewis in private life. Lewis has taken Dorothy Thompson's knowledge of Germany and Italy, has deduced from it the essential elements of dictatorship, and has shown just how a dictatorship might be counted upon to function in American terms.

The common objection to *It Can't Happen*

Here is that Lewis has written of Germany, not of the United States. It is alleged that Lee Sarason, the ex-Socialist who guides Senator Berzelius Windrip, Lewis's dictator, to power, is too much of a combination of Captain Roehm and Herr Goebbels. Windrip's book, *Zero Hour*, is on the order of Hitler's *My Battle*. Dr. Hector MacGoblin, the public relations expert of the Windrip party, is patterned on Goebbels. And Dewey Haik, the army man who ultimately succeeds Windrip and Sarason as dictator, follows the course that General von Blomberg of the German Reichswehr may be counted upon to travel.

Lewis has quite clearly patterned his American Fascist villains on the German Nazi leaders. But the suspicion occurs that German fascism learned from the World War propagandist techniques of the Allies. Hitler, in *My Battle*, has told of the study he made of Allied propaganda methods. All the pioneering in modern "public relations" methods was done in America by Ivy Lee and others. And there was the George Creel wartime bureau.

\* \* \*

German fascism, as every one knows, makes use of mystic symbols, such as the swastika. The Nazis wear a mystic shirt, the brown shirt. They have mysterious meeting places, the brown houses. And this mumbo jumbo is part of the American fascism of Berzelius Windrip and his gang. But is this mumbo jumbo peculiarly German? Well, Lewis remembers having seen Shriners parade. He recalls listening to Rotary Club speakers. His college history course taught him about the Ku Klux Klan. When he lived in New Haven he saw Yale seniors marching to their fraternity tombs and waving red flares. No, the Nazi mumbo jumbo is not peculiarly German. An American Hitler would not have to look to Europe for his emotive symbols.

That is why Lewis's novel about an American dictatorship, while it may be patterned on what happened in Germany, is not incredible by any means. Even the violence has its American precedents in a hundred lynchings and in the vigilante "justice" of the frontier. If they burned books in Germany, they have banished them, at times, from the vicinity of Boston Common. And if Berzelius Windrip's *Zero Hour* is obscurantist drivel on the order of *My Battle*, Americans might remember the late Huey Long's *Every Man a King*.

In order to show how fascism would affect American lives in general, Lewis has concentrated on a typical American small town com-



munity, Fort Beulah, in the green Vermont hills. Doremus Jessup is editor-owner of the *Fort Beulah Informer*. Naturally, when the Fascists come to power, the *Informer* is expected to bolster the government. But Jessup, although he has always voted Republican, has enough of Thomas Jefferson in him to demur. And so the local Fascists (who have been the scum of the town before 1936) attempt to "totalize" Jessup by force. Eventually Jessup goes to jail for carrying on underground agitation against Windrip. Lewis's invention of incident—and it is sheer invention, for of course he has had no American fascism to observe in its impact on a small town—is always credible. And Doremus Jessup always seems real, even up to the point where he escapes to Canada to work for Walt Trowbridge's Republican underground movement. A Doremus Jessup would go to work for a Republican, not a Communist, underground movement. If the accessory characters in *It Can't Happen Here* seem caricatures, far less real than Jessup and the Jessup family, it must be remembered that fascism is a caricature society.

\* \* \*

Fascism is so obviously no cure for the sickness of society that two Americans, Herbert Agar and Alfred Bingham, who hope to see the United States rejuvenated in a revolutionary way by its middle classes, are careful to have none of it in their respective books, *The Land of the Free* (Houghton Mifflin, \$3.50) and *Insurgent America* (Harpers, \$2.50). Mr. Agar, who is something of a Chestertonian "distributist" and something of a radical Jeffersonian, believes in a nation of small property owners. He is both against modern finance-capitalism, with its big banking units, its corporate mergers and its plutocratically controlled political democracy, and against communism, which seems to him the ultimate in trustification, with a labor "inner circle" replacing the banking inner circle as the controlling gang. Just how Mr. Agar is to break up the concentration of American industry is a little difficult to determine.

Most Americans who voted for Bryan, Theodore Roosevelt or Woodrow Wilson will like Mr. Agar's book. But they will also recall the fate of most reforms that were designed to break up the concentration of American industry. If they will read the second volume of the Beard's *The Rise of American Civilization* they will probably reach the conclusion that the omelette of finance-capitalism has cooked too long to be unscrambled by Jeffersonian chefs. Henry George could not unscramble it. The elder La Follette also tried and failed. Where is Mr. Agar to get his political support to put through his program? The New Deal

*Continued on Page VI*

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## MACMILLAN

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*Continued from Page V*

has experimented with subsistence farming, but that this will have any effect in preventing the further concentration of American capital resources in a few hands is dubious. Mr. Agar is battling against the dictates of modern technology, which has created the modern corporation.

\* \* \*

Alfred Bingham, unlike Mr. Agar, would make use of the "bigness" inherent in the progress of technology by employing the political methods of socialism. Stemming more from Edward Bellamy than from Marx, Mr. Bingham hopes that the middle classes will adopt socialism by staging their own revolution, preferably by democratic methods. While his hopes may not be realized, Mr. Bingham's analysis of class forces in America is sound. He follows the lead of George Soule in pointing out that the American proletariat has actually declined in power and numbers, owing to the advance of technology. And as the proletariat has declined, workers in the white collar trades have increased. Technically, they may be "proletarians," but they have yet to react to traditional Marxist appeals in any industrialized nation. Mr. Bingham does not believe they ever will react to Marxist "class-war" appeals. His book is an attempt to substitute a "cooperative commonwealth" appeal for the slogans of communism.

\* \* \*

James Wechsler, author of *Revolt on the Campus* (Covici-Friede, \$3), is not yet a year out of college. His book is symptomatic of the sudden birth of an undergraduate "social conscience." Whatever this birth of a social consciousness among students may portend ultimately, it is at least a long step forward from the college attitude of the mid-Twenties, when sophomores were making gods of Mencken and Nathan, and posing in a manner that could only have been displeasing to the Mencken who is described in Mark Sullivan's *The Twenties*, which is the sixth and concluding volume of *Our Times* (Scribner's, \$3.75). The Sullivan book is almost evenly divided between a recapitulation of the Harding oil scandals and a discussion of the popular books and songs of the years 1919-1925. It goes over the ground made doubly familiar to us by life and by Frederick Lewis Allen's *Only Yesterday*, which was published some years ago.

\* \* \*

Mr. Allen's more recent book, *The Lords of Creation* (Harper, \$3), might give both Mr. Agar and Mr. Bingham pause. In a compact narrative that mixes analysis and biography, Mr. Allen shows how capital has become concentrated in a few important hands in the United States. Picking up the story where Matthew Josephson's *The Robber Barons* left

off, with the formation of the elephantine United States Steel Corporation out of a few "dogs and cats," to use Carnegie's phrase, Mr. Allen investigates all the mechanisms by which the control of capital tends to be channeled into the vaults of a few key figures and institutions. He explores stock watering, the manipulation of the market by those who have inside information, the shady side of investment banking that has been so well described by Justice Brandeis in *Other People's Money*, the methods of holding company pyramiding, and the legal devices which Berle and Means have analyzed in *The Modern Corporation and Private Property*.

The test in the Allen book is pragmatic. If a stock-watering merger job by the bankers resulted in a successful corporation, such as United States Steel, Mr. Allen is forgiving. The profit made out of the watering is more or less considered in the light of a fee deservedly accruing to men who had courage and took chances. But when a stock-watering merger job fails—as the attempt to achieve a New England traffic monopoly by banker consolidation of the New Haven road and other lines failed—Mr. Allen is not inclined to be lenient. It is a slippery test that Mr. Allen applies. But if one believes that industrial bigness is desirable, and that those sponsoring the bigness deserve a reward for enterprise, it is about the only test available.

\* \* \*

After reading Mr. Allen's book, one cannot visualize the "lords of creation" giving in to Mr. Bingham or to Mr. Agar without a fight. For the "lords of creation," while they may be interested in "social good" as a by-product, have been largely wrapped up in achieving power for its own sake. Not many of them have been blood-brothers of the typical liberal business man whose biography, *Edmund Niles Huyck*, has just been written by Francis Brown (Dodd, Mead, \$2.50). Between the Edmund Huycks of this world and the subject of George Britt's *Forty Years, Forty Millions: The Career of Frank A. Munsey* (Farrar & Rinehart, \$3) there is an ocean of difference. Munsey was the business man at his worst, believing in nothing but profit. Mr. Britt's biography does little to change the derogatory opinion of Munsey as a publisher that William Allen White once advanced in a remarkable editorial.

How an early American inventor suffered because he had little business acumen is told by Thomas Boyd in *Poor John Fitch* (Putnam, \$3). Fitch, a Connecticut Yankee from Windsor Parish, up beyond Hartford, devised the first successful steamboat. He floated it on the Delaware in 1786. It was not until 1807 that Robert Fulton began work on the Clermont.

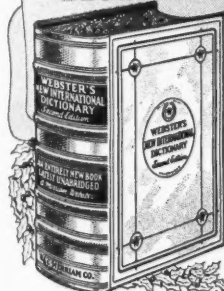
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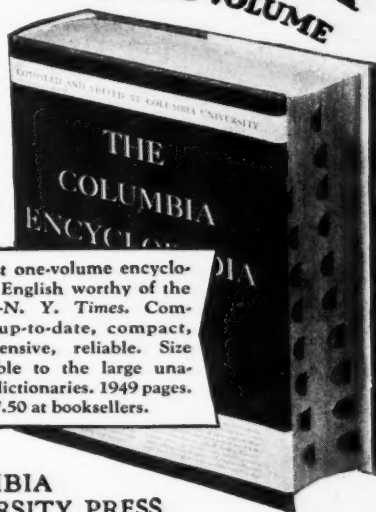
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DECEMBER 1935

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## Forward With the Constitution

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By DANIEL C. ROPER  
*Secretary of Commerce*

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ON Constitution Day of this year, Sept. 17, I delivered an address entitled "Forward With the Constitution." Newspaper headlines, news stories and editorials during the next few days declared that I had urged an amendment to the Constitution. Yet there is not a single sentence nor an implication in this address that recommends an amendment to the Constitution. My entire presentation was based upon the premise that, if experience and complex economic and social changes seem to require some constitutional change through amendment, then it is the responsibility of leadership to clarify this issue so that it may be passed upon by the American people.

As I see it, the issue at stake today is not whether the Constitution should be amended in the near future or what such an amendment should be, but instead whether there shall be a frank discussion of constitutional questions and whether, ultimately, it may be necessary to ask the people

to express their collective will with respect to constitutional changes.

In my Constitution Day talk I stated frankly that "there is an unfounded and un-American cry in our country today that even to think of changing the Constitution is heresy." Who is to say at the present time that it will not be necessary within the next few years to submit a question of constitutional change to the American people? Should such action seem proper and wise, there is no better assurance for intelligent determination by the people than a background of education and clarification.

To this end, therefore, we should disavow all efforts to place false labels on current discussions; we should reject all attempts to close the door against a proper discussion of vast changes and the new problems they involve; and we should guard against all endeavors that seek to crystallize people's minds concerning such a vital issue as constitutional change before the issue has been fully

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developed through tested national experience. No one today can say that an amendment will be necessary. No one can say that it will not be. But the final answer must be found in a typical, American democratic manner.

I propose, therefore, a brief analysis of the Constitution as a vital instrumentality for meeting, as they arise, the varied and fundamental changes in social, economic and governmental evolution. This requires a consideration of the Constitution as a living mechanism and not as a dead tool. When it ceases to provide the degree of flexibility and adaptability that is necessary to enable the government to solve the increasingly complex problems of the present era and future years, it will have failed in the primary purpose for which it was written by our forefathers.

The Constitution cannot be construed as a static, crystallized decalogue of governmental principles. Rather it must be applied and interpreted as a dynamic, adaptable instrument designed to meet the changes and exigencies which modern civilization has imposed upon contemporary society. It is essential that we keep the changing, living characteristics of the Constitution constantly in mind, for there are those today who would mislead the public into believing that to change or adapt this great instrument to serve changed conditions is to desecrate it.

The only substantial difference in the consideration of the Constitution today rests with the interpretation of the provisions contained in the seven original articles and the twenty-one amendments. It is a question of whether these provisions can and shall be interpreted to carry out the fundamental purposes and objectives as set forth in the Preamble and Sec-

tion 8 of Article I, or whether it will be necessary to provide additional amendments to meet the demands of present-day social and economic life for the continued progress of our nation.

The ravages of a long and destructive economic and social depression necessitated unprecedented and unparalleled action on the part of the Federal Government. States, communities and private business were all helpless in their efforts to stem the engulfing tidal wave of national calamity. The chief reason for this helplessness was the fact that virtually all State, regional and industrial boundaries had been inundated and eradicated by the flood waters of economic collapse. Such a vast national problem could be met and solved only by broad national action.

As a result of this phenomenon, Federal jurisdiction was extended on a far more ramified scale than ever before; Federal action, by absolute necessity, and in response to the pleas of business itself as well as of the States and their political subdivisions, was extended into fields of endeavor which under emergency conditions, and as a result of increasing complexities, could no longer be treated effectively through State jurisdiction or private collective action.

Obviously, the duty and responsibility imposed upon the Federal Government has provided an opportunity for many to point out that such necessary Federal action transcended the sphere of action allowable within constitutional limits.

On every side now we are hearing the same declarations that lulled the country into lethargy following the crash in 1929 and during the two or three years immediately following. Virtually all major economic signposts pointed downgrade into the ever



deepening canyon of depression; yet those who had been carried to leadership by a great post-war boom existing for over a decade preached that things would gradually right themselves if let alone. But that doctrine of automatic readjustment and recovery proved to be a will-o'-the-wisp that almost led the United States into irretrievable disaster.

In 1933 the people of the United States rebelled against the consequences of the mistakes made in the decade preceding 1929. Now with recovery indisputably under way the proponents of an almost complete return to the same old order plead for a mass indifference to those causes. As significant evidences and concrete demonstrations of recovery become cumulatively greater with each passing month there is thus a rebirth of the once vocal school of thought that wants to reinstate the methods and procedures which proved ineffective before March 4, 1933. They miss entirely the fact that it is this generation's task not only to bring about a greater recovery than ever before but also to attain the salient objective which will prevent a repetition of the disaster which has tested our nation to the limit since 1929.

The proponents of this school now rely chiefly upon the slogan "Back to the Constitution!" In the bosom of this slogan they repose all their faith in bringing into national power again those who believe in the doctrine of "let things alone and they will take care of themselves." My answer to the wailing cry of "Back to the Constitution!" is the progressive and American challenge of "Forward with the Constitution!"

The preservation of the Constitution means continuing it as a living instrument even more than maintaining its status quo as to body and

amendments. The Constitution has grown and developed through usage, interpretation by the courts and amendments. The last of these represents the supreme privilege of the American people to voice their will with respect to keeping their Constitution abreast of rapidly changing and shifting conditions and needs. The nature and essence of the Constitution, as viewed profoundly by America's outstanding jurist, Chief Justice John Marshall, is given in the following words, taken from Marshall's opinion rendered in the case of *McCulloch vs. Maryland*:

"This provision is made in a Constitution intended to endure for ages, and, consequently, to be adapted to the various crises of human affairs. \* \* \* It would have been an unwise attempt to provide, by immutable rules, for exigencies which, if foreseen at all, must have been seen dimly, and which can best be provided for as they occur."

Marshall's words "to be adapted to the various crises of human affairs" reflect the absolute necessity for the vital living character of the Constitution. It reflects an adaptability and flexibility without which this nation could not have progressed and endured. If conditions once again decree that the people should have an opportunity to express their will with respect to giving their government necessary scope and authority to deal with grave, disrupting peace-time emergencies, and to maintain the stability secured through arduous recovery efforts, who can righteously say that such a procedure is not fully in accord with traditionally established principles of American government?

The right of amendment is the heartbeat of our constitutional system. It is the one means by which the

people themselves have the right and duty to change and adapt the fundamental laws of our government to permit and assure national progress. To thwart or inhibit this right would mean to choke the flow of democracy's bloodstream. The framers of the Constitution could not envisage specifically the vast and complex problems which changing conditions in our economic and social life have brought about. But they did foresee the inevitability of a changing national life and consequently sought to devise a Constitution that would have the flexibility to meet these changes. With far deeper wisdom and vision, they explicitly set forth the means and methods by which the people themselves could change the Constitution when progress and development made it proper and necessary.

Thus far in our nation's history the people have exercised this right twenty-one times. The first ten amendments, generally referred to as the "Bill of Rights," became effective in 1791 and were actively supported by those men who helped draw up the Constitution. When usage and interpretation have not secured to our people economically and socially beneficial laws, they have deemed it expedient to change the Constitution to make the laws effective.

Time and experience have borne out the wisdom and propriety of these changes, although at the time of their adoption many feared that they would undermine and destroy our government and our democratic institutions. John J. Ingalls, for many years Republican Senator from Kansas and president pro tempore of the Senate from 1886 to 1890, many years before the beginning of the twentieth century said:

"The Constitution is perpetually invoked by the narrow, rigid and illib-

eral constructionists to interpose an insuperable barrier against every effort to better the condition of the people."

Certainly any efforts to forestall a proper consideration of constitutional needs which might in the future require a national referendum to the people is contrary to the spirit and purpose of the Constitution itself.

The vast changes that have taken place in the American commercial system and the geometric growth in complexities and interrelationships in economic activities and the increasingly difficult problem of properly managing and interpreting these relationships in which intrastate and interstate jurisdictions come into conflict is well illustrated by the great increase in cases coming before the Supreme Court with respect to the interstate commerce clause.

This clause of the Constitution was fully sufficient to meet the situation for the first quarter century of our nation's life. But even before the Civil War inadequacy in certain respects was met through liberal interpretations of the clause by the Supreme Court. In the first great case dealing with the commerce clause, that of *Gibbons vs. Ogden*, Chief Justice Marshall, even in 1824, recognized the absolute necessity of a liberal interpretation of the clause to meet the exigency of present and potentially greater commercial complexities.

In his decision in this case, Marshall asked the question, "It has been said that these powers ought to be construed strictly. But why ought they to be so construed?" Marshall went on to answer the question by criticizing that narrow construction which would cripple the government and render it unequal to attain the objects for which "it is declared to be instituted."

Without the greater impetus of liberal construction and application given by Marshall to the commerce clause there would have been such a narrow authoritative base that many of our most beneficial laws probably could not have withstood the constitutional challenges brought into courts by those vested interests who wished to maintain an archaic status quo irrespective of the demands for inexorable changes and the general welfare. If practical experience, secured in the crucible of depression years, proves conclusively that the Federal Government does not have the proper authority to initiate and execute a program necessary to maintain the public welfare and provide a democratic distribution of benefits, it must be the inescapable responsibility of leadership to clarify that issue for the American people so that they may, through the means provided in the Constitution itself, express their collective will.

Unfortunately, there is a growing chorus of voices seeking to mislead the people into assuming that even the suggestion of a possible broadening of the Federal Government's power through amendment to deal with matters of interrelated national economic problems is in itself contrary to constitutional doctrine. I recall within my own lifetime the barrage of criticism heaped first upon the Interstate Commerce Commission and later upon the Federal Trade Commission.

The Interstate Commerce Act became law in 1887, exactly one hundred years after the adoption of the Constitution. The critics of that day pointed out the striking coincidence that such an act should be passed on the hundredth anniversary of the birth of the Constitution, and lamented the passage of the act as an

unconstitutional invasion of private rights by the Federal Government. Later the Federal Trade Commission became the target of much similar critical abuse. At the time of passage both these acts were labeled by critics as violent reform measures, marking the usurpation of traditional private rights by the Federal Government. Recourse to criticism on the ground of unconstitutionality, either in spirit or in fact, was the chief weapon of reliance used by the objectors. Today we are having precisely the same experience.

Opposition disagreement with the Roosevelt program is natural and to be expected under our two-party system of government. Intelligent, forthright criticism is a necessary protective factor in our democratic procedure. But true party responsibility is evaded when opposition seeks the cloak of unconstitutional charges as the chief ground of generalized criticism.

Lincoln, during his strenuous and perilous days, was often severely criticized on constitutional grounds. In a remarkable letter to Mr. Hodges, Lincoln answered these criticisms with the following trenchant assertion:

"My oath to preserve the Constitution imposed on me the duty of preserving by every indispensable means that government, that nation, of which the Constitution was the organic law. Was it possible to lose the nation and yet preserve the Constitution? By general law life and limb must be protected, yet often a limb must be amputated to save a life; but a life is never wisely given to save a limb. I felt that measures, otherwise unconstitutional, might become lawful by becoming indispensable to the preservation of the Constitution through the preservation of the nation. Right or wrong, I as-

sumed this ground, and now avow it."

History has confirmed the righteous judgment of Lincoln in moving forward with the Constitution just as it will confirm the constitutional procedures of President Roosevelt.

Lincoln, at the time of giving his first inaugural address, faced an acute domestic emergency just as Roosevelt did in 1933. In this address Lincoln dealt frankly with several aspects of constitutional questions, making this trenchant observation:

"The candid citizen must confess that, if the policy of the government upon the vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court, the instant they are made \* \* \* the people will have ceased to be their own rulers, having to that extent practically resigned their government into the hands of that eminent tribunal."

Lincoln, before grappling with the problems which confronted him, frankly stated the principle that, if the Supreme Court should pass adversely upon vital policies affecting the whole people and that if such action should be regarded as irrevocably fixed, the people would cease to be their own rulers. Lincoln's methods and principles have been passed upon with affirmation and acclamation by patriotic American judgment. Why is it, then, we may ask, that comparable but less drastic procedure on the part of President Roosevelt should be criticized as unconstitutional or un-American in any way?

James Russell Lowell, in his great essay on Abraham Lincoln, written at the same time that Lincoln was experiencing the critical reaction that immediately preceded the end of the Civil War, confirms the deep patriotic attitude evidenced in Lincoln's letter

to Mr. Hodges and in his approach to constitutional questions. Today those who are most vigorously criticizing President Roosevelt on constitutional grounds are reanimating the practices and name of Lincoln in a desperately hopeful attempt to infer that Lincoln's record from a constitutional viewpoint stands in contrast to that of Roosevelt. The public position of no two Presidents, with respect to fundamental guiding principles in a great domestic emergency, has been so basically similar as that of Lincoln and Roosevelt. Lincoln's own letter to Hodges, as well as many other recorded statements and facts, is an affirmation of the statement I have just made.

Lincoln averted absolute internal chaos through ultimate victory over the destructiveness of a civil war; Roosevelt averted absolute internal chaos through victory over the insidious forces of America's most tragic depression. As soon as the tide had definitely turned, Lincoln's program of reconstruction and reformation was bitterly attacked. President Roosevelt's program of reconstruction is meeting obstructions, but fortunately the broader knowledge and understanding of the people will accord that support to Roosevelt that a strife-torn, war-wearied people did not accord Lincoln.

Lowell, in the essay to which I have already referred, made the following comments with respect to Lincoln's problems, methods and status:

"All that he did was sure to be virulently attacked as ultra by one side; all that he left undone, to be stigmatized as proof of lukewarmness and backsliding by the other. \* \* \* Mr. Lincoln's perilous task has been to carry a rather shaky raft through the rapids, making fast the unrulier logs as he could snatch opportunity, and the country is to be



congratulated that he did not think it is his duty to run straight at all hazards, but cautiously to assure himself with his setting-pole where the main current was, and to keep steadily to that."

Precisely the same words might be written today to describe the course that President Roosevelt is pursuing.

The "setting-pole" of depression experience has shown clearly what the main current of action must be. Our economic and social system has grown so vast, complicated, interrelated and sensitive that it can no longer maintain a continuity of stability and sound structural growth unless methods and procedures are provided for treating it comprehensively as one interrelated system rather than to allow its broad scope of actions and reactions to be controlled separately and in segmentary fashion.

As far as commerce and business are concerned, State lines have now largely vanished. The tremendous growth of corporations and their penetration nationally into all communities and into all phases of the nation's economic activities have made national coordinated treatment of these economic activities mandatory. Since the World War, under a system of group approach and development, the economic rewards accruing from the operations of our system have generally, but with some important exceptions, of course, been unequally divided. Practices which, fifteen or twenty years ago, were simon-pure intrastate transactions, now directly or indirectly exert an influence of far-reaching proportions upon the entire national economic system. It is not, therefore, a question of whether long-established custom and thinking prefer the old system to the new approach, but rather it is a question of

dealing with conditions as they are in a comprehensive and over-all fashion.

As I read the debates and proceedings of the Constitutional Convention of 1787, as I study the *Federalist* papers which translated the purpose and meaning of the Constitution to the people in the first few years following the convention, and as I analyze the written words and recorded actions of America's greatest leaders and statesmen, I find nothing but justification, in conformity with long-established American principles and doctrines, of the constitutional course that President Roosevelt has pursued. I have already cited much verifiable data to prove this conclusion.

George Washington once said:

"It is clear to me as A B C that an extension of Federal powers would make us one of the most happy, wealthy, respectable and powerful nations that ever inhabited the terrestrial globe. I predict the worst consequences from a half-starved, limping government, always moving upon crutches and tottering at every step."

Following the Revolutionary War the American government was "always moving on crutches and tottering at every step" because it did not have the power and authority to deal comprehensively with interstate commerce. It was primarily commercial needs which led to the calling of the Constitutional Convention and the extension of Federal powers which made our present nation possible. If new and complex commercial needs, which only the Federal Government is competent to meet, require proper constitutional extension, who can find anything in such a declaration from the President to the American people to conflict with Washington's statement which I have just quoted, or with the whole body of our constitutional ex-



perience? This principle of constitutional adaptability is also fully in accord with the following statement made by Calvin Coolidge in 1925:

"We shall continue prosperous at home and helpful abroad, about as we shall maintain and continually adapt to changing conditions the system under which we have come thus far."

As Coolidge said, our problem is to "continually adapt to changing conditions the system under which we have come thus far." That is the principle which unmistakably underlies President Roosevelt's philosophy and action. Many years of delayed and postponed adaptation created a situation which almost wrecked our nation. The complications of the resultant problems required a period of broad and immediate adaptation. President Roosevelt had to initiate the measures that others had failed to provide. And now in glaring headlines and blaring voices we hear the slogan of "Back to the Constitution!"

The administration believes that the Constitution, applied in accordance with the best practices supported by the greatest leaders in our national life and history, can successfully meet the test of great changes which must be faced courageously in the years immediately ahead. The late Justice Holmes once said: "We must recognize that growth is the law of life, and that change is as inevitable as the rise and fall of the tide." This growth is one of the inevitable principles of life, and through usage, interpretation and amendment, our Constitution has been maintained as a living, vital instrumentality functioning for the general

welfare of the American people. Less than six months before his death, in a letter to a friend, Thomas Jefferson wrote:

"Some men look at constitutions with sanctimonious reverence, and deem them, like the ark of the covenant, too sacred to be touched. They ascribe to the men of the preceding age a wisdom more than human, and suppose what they did beyond amendment. I knew that age well; I belonged to it and labored with it. It deserved well of its country. It was very like the present, but without the experience of the present—I am certainly not an advocate of frequent and untried changes in laws and constitutions—but I also know that laws and institutions must go hand in hand with the progress of the human mind."

The Roosevelt administration, recognizing that our economic and social progress demands that we adjust and adapt our governmental principles and procedures to these changes, aims to give the people of this nation a greater opportunity to secure those benefits which our heritage and enterprise have made possible. These great fundamental principles must be preserved and adapted to assure national progress as against national decadence. The first requirement of a progressive society is a progressive constitution. That is the essence of democracy. That is the great heritage which is ours today, set forth by our forefathers 148 years ago. That is the principle which is embodied in today's fundamental challenge—"Forward with the Constitution!"

# The President's Job

By CHARLES W. B. HURD\*

THE Presidency of the United States is no longer the easy job it used to be. Once upon a time the Chief Executive had to spend only a couple of hours in his office in the morning, receive a few visitors daily and, except in election years, make perhaps half a dozen speeches a year. But times have changed, as has been amply demonstrated since Franklin D. Roosevelt entered the White House.

President Wilson ran a war with a staff smaller than that now occupied with White House affairs even in the dullest season. President Hoover enlarged the White House secretariat to three members, with a clerical force of less than fifty, whereas today there are about 150 hard at work handling the piles of mail arising from the numerous activities added by President Roosevelt to the White House routine.

Some say that this shows the President's devotion to duty, others that it proves he has exceeded his powers in the government of the country. Neither explanation is accurate, although Mr. Roosevelt quite obviously believes it advisable to have a larger share than any of his predecessors in directing the nation's destinies. Even his strongest Cabinet aides, including such diverse personalities as Secretary of State Hull and Secretary of the Interior Ickes, act only with his knowledge and approval in routine problems, and the other Cabinet

members are for the most part literally secretaries conducting departments for the President.

So much direct control over routine matters, to say nothing of the many alphabetical agencies, would seem impossible, and would be if President Roosevelt did not keep going at a tremendous pace. His working day begins while he breakfasts in bed. Then come eight hours at his desk, which rarely pass without his seeing from fifteen to fifty callers, individually or in groups. Between these calls the President uses the telephone continuously, dictates scores of memoranda and makes uncounted penciled notes on a series of small pads neatly lined across his desk, each bearing a printed heading indicating the Cabinet officer for whom it is intended. At least four evenings out of seven are devoted to conferences and correspondence.

Many of our Presidents have served their four or eight years without undertaking a single policy as sweeping as Mr. Roosevelt's conservation plan alone, and that plan has no essential connection with recovery. But conservation, just as social security, would, on the basis of the President's previous political career, have been urged just as militantly had he been elected to office, say, in 1924. In any period, too, Mr. Roosevelt would probably have had a program affecting the electric industry or improving the lot of "stranded communities." It is, therefore, easy to imagine that even without the depression and its multi-

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ple demands, as many visitors would have trooped through the White House as today, and the lights in the President's study would have burned as late.

When to measures of reform is added the long list of what might be called extracurricular government activities—the old NRA, the PWA, the AAA, the HOLC, the FHA—one understands why Theodore Roosevelt, when compared with Franklin, seems a quiet personality. But this is not all, for our present Chief Executive has taken upon himself the task and responsibility of guiding the conduct of government routine and a determination apparently to know all the essentials about everything going on. At his press conferences he always seems ready to discuss even the most remote regional topics.

Every President is continually besieged by a motley crowd ranging from officials and prominent individuals with concrete problems to discuss, to cranks and theorists who feel that they could solve all the ills of the world if only they could reach the Presidential ear. They invade the lobby of the White House; they send telegrams and write letters which in the aggregate mount into the thousands daily. In addition, there are the everlasting demands for the President to dedicate memorials, to telephone greetings to conventions and meetings or to visit neglected political territory.

The problem might be easily solved by a few brusque refusals and the establishment of a set of rules that would ward off these demands on the President's time. But the White House, after all, is a political establishment, and those who run its affairs, from the President down, must be adept in the soft answer that turneth away wrath. The matter of

patronage and equitable distribution of political favors has also to be seriously considered almost every week of the year, for important governmental posts that become vacant must be filled by Presidential appointment.

No President has ever been able to run his office as he chose, and accordingly each has had trusted counselors and friends, often without official position, to whom he could turn for advice. The man closest to President Roosevelt was removed from active work late last Winter when illness struck down Louis McHenry Howe. His successor has yet to appear.

The President's immediate assistants are Marvin H. McIntyre and Stephen Early, each having the title of Assistant White House Secretary; Mr. Howe is the first secretary. In general, Mr. McIntyre is responsible for Mr. Roosevelt's immediate personal engagements and the White House calling list, while Mr. Early supervises the schedule of future engagements and keeps in touch with the newspaper correspondents. Mr. Early's routine became so heavy that recently the White House staff was augmented by William Hassett, a former newspaper man, who was assigned to assist in relations with the press.

There are in addition the less important secretarial assistants who help in maintaining the White House schedule and in conducting the vast correspondence which each day must be acted upon. Not only correspondence, reports and suggestions go through their hands, but they also bring the schedule of personal appointments down to the limits of a working day. At the same time they switch other requests for interviews to appropriate department or bureau heads.

For more than two years President Roosevelt appeared to run his office

in a rather hit-or-miss fashion, because he wished to know what every bureau was doing. His days were consequently filled with appointments with various important officials. Now he is trying to dispense with a good many conferences of this kind, although their number has not yet been noticeably reduced.

Six months ago, as a first step, the President began to place many independent agencies under Cabinet officers, believing that at the regular weekly Cabinet meetings reports from them could be discussed and dealt with in relation to one another. This system, however, could not be applied in all cases. Mr. Hopkins's Works Progress Administration, for example, has had to stand alone, as have such bodies as the Federal Trade Commission, the Federal Power Commission and the Securities and Exchange Commission.

So long as these independent agencies are engaged in carrying out a far-reaching reform program, the President must maintain close personal contact with their officials. This he has done largely through thumb-nail reports which he periodically receives. The reports are not official documents, but are brief memoranda. Delivered to the President's secretaries, they are placed in a large wire basket on his desk. At odd moments he glances through them, and at the end of the day the basket is taken to the residential quarters of the White House. Placed on a table beside the President's bed, it provides his reading matter after he has retired.

What is not reported in these memoranda is usually found in the half dozen newspapers through which Mr. Roosevelt skims before he gets up in the morning. As his nose for news and his memory are equally notable, he usually makes his own selection of

the officials with whom to confer. Often the President's own appointment list, drawn up in this way, is so long that his secretariat has to turn away Senators and others who feel that they are entitled to call upon the President at any time.

If the President were able to play golf or tennis or to ride horseback, the history of his administration might conceivably be different from that which will eventually be written. But his need for exercise is amply met by a short swim and massage each evening; one or two short automobile trips a week apparently satisfy a natural desire to escape from the White House. For the rest he seeks only mental stimulus, and that he finds in work.

Whatever may be the final estimate of President Roosevelt, those in close relationship with him know that behind the famous smile he carries the realization of his job as one of tremendous responsibility. Impatient of red tape, he at times appears to give snap decisions, but this is because of the almost crusading zeal with which he tries to push toward that vague social goal—"the more abundant life." His friends say that he can always find half an hour to listen to plans for development of the social economy, but that he becomes most impatient when asked to settle squabbles in the government. Yet he has skillfully handled such problems—for instance, the differences between Secretary Ickes and Harry L. Hopkins, Works Progress Administrator, which for a time threatened the relief program.

The public apparently realizes the fast pace set by Mr. Roosevelt, for rumors of his ill health are ever recurring. It is an ancient human fallacy to believe that hard work must bring illness in its train. The fact that the President occasionally suffers from irritating but otherwise minor colds



does not alter the fact that his health is perfect. He gets tired, of course, and there have been many times when the lines in his face have deepened, but none knows better than Mr. Roosevelt himself when he is working too much. Whenever he reaches a definite point of fatigue he takes a vacation.

The President of the United States, whoever he may be, must perform three distinct functions. He must define policies to lay before Congress and the public; he must be an aggressive leader to push through and at the same time defend these policies; and he must be the administrative head of probably the largest business machine the world has ever known. With Mr. Roosevelt, all these tasks have been pressing and immediate. He appears at the moment to have reached a halting place in the development of policies, though none believes that he will stop permanently. For the next year he will be faced principally with the task of defending what he has done, projecting his program into its secondary phase and demonstrating, by speech and action, why he believes his program is better than any other that can be put forward. In this work, speech-making will play a prime part, and there is no field in which Mr. Roosevelt is more at home.

Probably his greatest intangible source of political strength is his personality combined with a speaking voice that has a ring of sincerity comparable to Bryan's but minus the oratorical artificialities. His speeches are notable for their brevity and pithy statement, and while many of them have reflected ideas and suggestions by Raymond Moley, they have in the last analysis been his own. The salutation "My Friends" was his own invention, and as an opening for Presidential speeches, in the light of his personality, it is easy to believe that

it came as a natural greeting reflecting his own innate friendliness rather than as a deliberately prepared political gesture. He is, moreover, a homely talker. Seldom does he raise the tone of his voice, and there is no affectation in his delivery, which is always marked by a fairly slow and even flow of words. The simplicity of his manner of speech is a true reflection of himself, for he also likes simple foods and clothes and habits of living; he dislikes intensely occasions that force him to don formal clothes.

This does not imply that the President is an example of stodgy plodding in his public contacts, for he is known to his intimates for the faculty of "thinking on his feet." Some of his most effective speeches have resulted from an idea that occurred to him in the midst of reading a prepared manuscript, and, for that matter, he has yet to follow a prepared speech to its conclusion without digressing from the text to intersperse a phrase or clause here and there and often to insert whole paragraphs without disturbing the continuity of his talk. The White House files contain two versions of every speech but one the President ever has made, one the official text prepared in advance of delivery and the other a stenographic transcript of what he actually said.

The missing speech, made unexpectedly and on the spur of the moment, was one that caused a flurry across the country because of a chance thought that occurred to Mr. Roosevelt as he rose to respond on receiving a college degree. He had accepted an invitation to visit Washington College, on the Eastern Shore of Maryland, and receive the first honorary Doctorate of Laws awarded by the college since it had conferred this honor upon one of its founders, George Washington. The occasion was not to be marked



by a speech; none was prepared, and the President went to the college without his usual secretarial assistant who transcribes his speeches. But when the degree had been conferred Mr. Roosevelt was invited to make whatever remarks he saw fit. Without hesitation he launched into a discussion of the pioneer spirit on which the college was founded and went on to draw an analogy between the fearless work of the pioneers and the social pioneers of today who, he said, are shaping a better form of life. The ideas expressed in that speech, which exists only in the incomplete newspaper reports, were reflected in half a dozen subsequent speeches.

Yet it would be wrong to assume that President Roosevelt is in the habit of going off on tangents in his thinking so far as his speeches are concerned. Every resource of the White House is drawn upon in the preparation of his important pronouncements, and a final draft sometimes represents research not only by his staff of personal assistants but by experts in government departments and bureaus and, frequently, consultation with authorities outside official circles. Sometimes a suggested draft of a speech is submitted to the President by a dozen different advisers, but there is no one who can claim that he "writes the President's speeches." The final thought and the final form of expression are his own.

In political campaigns in which oratory is the ammunition, the President is, of course, the "big gun." As the campaign progresses his Cabinet usually scatters on carefully prepared tours in sections where each member

has the greatest political influence; Senators and other impressive figures are marshaled by campaign committees and assigned topics, and members of the President's party running for election to the House of Representatives plow the field of their districts thoroughly, mingling promises of patronage with arguments in behalf of administration policies. The candidates for the House are probably the most important troops in the advanced line of attack, for their election is usually dependent to a large extent on the popularity or unpopularity of a President rather than, with a few exceptions, the personality of a candidate for Congress.

All that the Democratic orators will say in 1936 will be pitched to the key sounded by President Roosevelt. He himself will probably lean more and more between now and election on the advice of his tried political advisers, Postmaster General Farley, Attorney General Cummings and Secretary of Commerce Roper. His "brain trust" will elaborate ideas for social and economic changes, but political minds—including his own, for politics is his profession—will guide the public words and acts of the President and directly influence the arguments voiced by the host of other speakers. His own speeches will have a special stamp, however, for each will be a "keynote" address, prepared and delivered with the conscious realization that it will be printed in every daily newspaper in the country, reprinted in pamphlet form for distribution by friendly organizations and studied with microscopic care for loopholes by the opposition.

# Italy's Balkan Game

By JOHN I. B. McCULLOCH \*

THE Balkans we have always with us. They may be forgotten for a while, but suddenly the unexpected occurs, and Southeastern Europe once more becomes the focus of world attention. Today popular interest is again shifting toward the Balkans, and for this Italian policy is responsible.

Behind Italy's policy in the Balkans are two general ideas. First, an exuberant expansion of the idea *Mare Nostrum*, which regards as Italian not only the Mediterranean littoral but even the Black Sea. It is possible to go even further. Francesco Bertonelli in his manual *Il Nostro Mare* (intended for the use of Italian naval officers) points to the Danube as a waterway intimately connected with the Black Sea-Mediterranean system. Thus the entire Balkan region is brought within the sphere of potential Italian interest.

Italians, furthermore, are convinced, or want to be convinced, that the Balkan countries are incapable of intelligent cooperation among themselves. The Italian expansionist points to ancient Rome as the only solidifying influence that ever brought peace to the peninsula. He adduces the Second Balkan War as a proof that sooner or later these nations will fall to squabbling. He is militantly skeptical of contemporary movements toward Balkan cooperation, and it must in all truth be added that such skepticism is frequently justified.

\*The author of this article is an American who has been traveling extensively in the Balkans to study local conditions.

Italy's specific aims may be briefly summarized. Dominion of the Adriatic is a commonplace of Italian thought. Political control of the Dalmatian coast was promised, withdrawn, and remains a desired goal. Political ascendancy in Albania has not yet been followed by colonization. Do Italian designs include Corfu? The Greeks are convinced that such is the case, and Greece, as possessor of Corfu, is most directly concerned.

When viewed historically, Italian foreign policy is seen to point very definitely toward the eastern shores of the Aegean. There, on the Anatolian littoral, and specifically in Southwestern Anatolia, is an alternative field to African conquest. Until the present Turkish régime prudently consolidated itself in a compact area with an almost unmixed population, the Italians were given reason to suppose that they would share in the Asiatic portion of the Ottoman inheritance.

But the Italians came late. During the war they were twice given tantalizingly vague promises of Asiatic acquisition—a mandate over the Caucasus was even mentioned—but in the end they found themselves left out. Italy, however, retains the Dodecanese, a stone's throw away, and for the moment she remains content with a policy of watchful waiting. Kemalist Turkey is too strong to attack, but the Ghazi is not immortal (nor is the Duce, one reflects).

What is the exact interplay between expansionist policy in Asia and in Africa? A year ago people were watching the Balkan and Anatolian lands.

Then appeared the African issue, but with such disconcerting abruptness that observers throughout the Near and Middle East were bewildered. A curious instance will illustrate the extent to which Italian policy lent itself to misinterpretation. At the time of the March revolution in Greece Italian orders were issued for mobilization in Africa. The Aegean buzzed with rumors. Was this African business a blind? Were the Italians mobilizing in order to exploit the possibilities raised by the Greek civil war? The civil war subsided and the African adventure developed into a matter of world pre-occupation.

It is perhaps superfluous to observe that any issue involving Italy in one continent will be felt elsewhere, for Italian aims are various. They are not least important in the Balkans, where Italian influence is exerted under different guises.

The first among the positive instruments of penetration is the financial

weapon, used with such conspicuous success by the French. That the Italians have been less successful than the French is due to several things, among them the fact that other lending nations were on the scene first and the distrust with which Italy is viewed by several Balkan countries. Nor does the state of Italian finance permit Italy to exercise as great a leverage as she might wish.

There is, of course, one outstanding example of Italian reliance upon financial pressure. Italian loans to Albania have been a real point of attachment between the two countries. How far does this financial assistance go toward justifying Italy's claim that she is bringing civilization to the Albanian people?

Concrete achievements there are in plenty, handsome bridges, for example, and road construction in the best Roman tradition. But the suspicion persists that a good deal of Italian money has been dissipated for purposes that



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have little to do with real Albanian interests. Pro-Italian politicians have had their share, and some of it has gone for purely strategic roads to the Yugoslav frontier. Much has been wasted by inefficient administration (as witness the abortive Tirana-Durazzo railway and the abandoned irrigation ditch near Kavaja), and much has been used for such spectacular but hardly necessary work as the elaborate Boulevard Zog in tiny Tirana, the Albanian capital. Perhaps such misapplication is inevitable in the circumstances. Besides the task of developing Albania economically, the Italians have had the delicate job of maintaining their own authority over a primitive yet intensely proud people who resent control.

Yet Italian hegemony is not quite complete. King Zog, who returned to Albania with Yugoslav support, has never finally committed himself to the Italian cause. It is thought by those who are closest to him that his own sympathies remain Balkan.

Italy has received occasional snubs. Italian schools, like Greek schools, were forced to close by the Albanian law nationalizing education. This law has only recently been vetoed by the League, as a result of formal Greek protest. Italians have not yet received permission to colonize the more desirable Albanian valleys. In addition, the Italians have long been trying, with conspicuous lack of success, to secure the removal of the British advisers to the Albanian gendarmerie. This small British group remains a partial counterweight to Italian control over the army. Finally, Albanians have not forgotten how fifteen years ago they "chased the Italians into the sea" at Valona, although the evacuation was due to post-war anarchy in Italy. But even today any difficult commitments elsewhere would render

Italy's hold on Albania once again precarious.

Commercial penetration goes hand in hand with financial. Just because it is difficult to reconcile a successful commercial policy with the maintenance of political tension, so some observers believe that the close trade relations existing between Italy and Yugoslavia will sooner or later lessen the political rivalry. Italians have never lost sight of the importance of commerce, though like other nations their trade has been handicapped by the spread of economic nationalism. Italy hopes to make of the Dodecanese a base for commercial expansion, and has pursued in these islands a policy which, from the material point of view, leaves little to be desired. The most enthusiastic Greek irredentist will hardly deny that there have been material achievements of no mean value. Nor must it be forgotten that the Italian merchant marine is predominant in Balkan waters, a fact that has given pause to pan-Balkan propagandists who are discussing the possibility of linking the principal Balkan ports by means of a purely Balkan service.

Economic penetration is only half the story, and not the most striking. Of considerable importance are the intangibles to which Italy has had recourse. Thus she has exploited sentimental ties with Rumania by emphasizing the supposed Latin origin of the Rumanian people and dynastic connections with Bulgaria, where the Queen is a former Italian Princess. Throughout the Balkans Italian institutes and schools have sprung up, though they are not always gently handled by a jealous nationalism. Wherever possible, Italy has coupled, to her advantage, the double factors of geographical proximity and technological superiority. Thus radio sta-



tions in Bari, on the Italian coast, broadcast regularly not only in Albanian but in Greek. This is the only program in Greek which the citizens of Athens, Saloniki or Patras can hear. And a newspaper in Bari includes, thrice weekly, a page or two in the Albanian language.

To what extent does Italy in the Near East speak through Catholic propaganda? It is difficult to say. The method is hallowed by tradition, for the French have at one time or another exploited Catholicism for political purposes. The agreement with the Vatican undoubtedly gave Italy a highly favored position for pursuing a similar policy, and in cities such as Athens the overwhelming majority of Catholics are Italian. Yet there are evidences of friction. In Bulgaria, for example, the ambitious Istituto pro Oriente was founded by an Italian priest who soon found himself at loggerheads with Mussolini on matters of policy. Today the institute and the Italian Legation ignore each other.

Italy has jockeyed for prestige through an elaborate glorification of her own achievements. This has been strenuous work. The echo of Imperial Rome comes a little muffled through the centuries, and more recent history has not always been impressive. The effort, let us say, to magnify the seizure of Rhodes by an Italian force in 1912 appears absurd to those who recall the almost total lack of resistance on the part of the Turks.

But the Italians have safer ground on which to build their prestige. As long as they emphasize the personality of Mussolini, and that alone, they can be sure of satisfactory response. The disorderly Balkans regard the Italian leader with a grudging but genuine admiration. A Greek will hurl epithets at the Italians hour on end, yet admit freely that Italian prestige

has soared, in immeasurable proportion, since the March on Rome. A symptom of the general reaction is to be found in the effect on individual men, in the development of minor Mussolinis. The Rumanian Averescu is considered a typical Balkan example. Another is the Greek Kondylis. The point can be overworked, but it is at least worth formulating. No less an authority than Arnold Toynbee has suggested that much of the subsequent French prestige throughout the Levant dates from Napoleon's audacious, if eventually unsuccessful, Egyptian campaign. By such bursts of imaginative daring is the Levantine mind captivated.

Italy is not content with mere penetration. She resists whatever is likely to counteract her aims and purposes, especially any movement toward Balkan cooperation.

In 1930 the pan-Balkan idea was given unity and definition when Alexander Papanastassiou, "Father of the Greek Republic," organized the Balkan conference. He contemplated a political, economic and cultural rapprochement among the six Balkan nations—Greece, Turkey, Bulgaria, Rumania, Yugoslavia and Albania. From the outset the conference suffered from Bulgarian revisionist spirit, from half-hearted cooperation on the part of the Albanians and from skepticism throughout the Balkans.

The conclusion early in 1934 of the purely political Balkan pact—to which Bulgaria refused to adhere and which Albania was not invited to sign—weakened the conference idea, especially in Belgrade. Greek internal dissension has further crippled the work of the conference, but its official journal, *Les Balkans*, continues to appear, spasmodically, and a flicker of the pan-Balkan spirit is kept alive.

So long as Balkan cooperation re-

mained on a purely academic plane, as in the case of the conference, Italy was not vitally affected, and limited herself to an ostentatious skepticism. When, however, an alliance emerged, of predominantly political character and of presumed external and anti-Italian inspiration, Italy had reason to be alarmed. Such an alliance was the Balkan pact of 1934. Ironically enough, two of the countries represented, Turkey and Greece, were at one time considered fit material for a pro-Italian bloc, to which Bulgaria should also adhere. But the other two members, Yugoslavia and Rumania, are concurrently members of the Little Entente, a group which is believed to rotate in the French orbit. No wonder Italy suspected a French attempt to cut the ground from under her feet.

In discussing Balkan politics there is a tendency to make Italy appear the villain of the piece and France the hero. Italy is the disruptive factor, France the benevolent provider. This subtle distortion is gently encouraged by such a book as that of Jacques Ancel, *Les Balkans Face à l'Italie*, a work which is highly tendentious and hypocritical. Surely it will not be seriously accepted by anyone that France, with a deserved reputation for exacting her pound of flesh, is actuated by more altruistic motives in the Balkans than is Italy. Diversity of interests simply force the two powers into different alignments. And the resultant duel between France and Italy tends in the long run to postpone a permanent solution of the Balkan problem.

Until quite recently the Balkans seemed to be moving painfully and slowly toward political maturity, while at the same time there was an almost imperceptible movement toward pan-Balkan rapprochement. Behind the scenes a vigorous struggle for control

was going on between Italy and France. Even after the widely acclaimed Franco-Italian understanding of last January it was difficult for Balkan observers to visualize a corresponding Italo-Yugoslav agreement or to expect a permanent settlement of Balkan interests between Rome and Paris. Then gradually other factors appeared.

Germany announced her intention to rearm, and took another step on the road toward recovering her pre-war position. Her commercial interests in the Balkans are far from negligible. Now her political influence, seeping through Central Europe, already touches the Balkans at several points. Germany must be reckoned with increasingly.

The most recent of all revelations, and the most spectacular, is the reminder that Great Britain still has a vital interest in the Balkan Peninsula. So unobtrusively have British Legations concerned themselves with the course of Balkan affairs that there has been a temptation to ignore or discount their existence. Events of the past few months have shown conclusively, however, that the Balkans are of desperate importance in any Mediterranean crisis.

Italian policy in the Balkans becomes utterly unpredictable in the face of a resurgence of German influence, a tightening of British pressure or an eventual return of Russia to the Balkan arena. In such circumstances only a miracle could establish or maintain Italy in undisputed control of the region. If, however, Italy could be brought to relinquish a purely predatory policy in favor of honest cooperation with the Balkan countries she would doubtless benefit as has no other great power from the gradual development of the peninsula. Is this too much to ask of statesmanship?

# Danger From Austria

By W. WALTER CROTCH \*

AUSTRIA'S refusal to fall in with all the other members of the League of Nations, except Hungary and Albania, in imposing economic sanctions against Italy becomes understandable when one considers what led to the coup d'état of Prince von Starhemberg on Oct. 17. Placid as this little Alpine country appears to be, actually beneath the surface there is an uninterrupted play of tumultuous and conflicting forces, out of which there has been growing a positive danger to European peace.

Thanks to the steady assistance furnished by the League of Nations, Austrian finances have improved. The currency is stable and the spectre of inflation has been banished. The success of Austrian tourist propaganda in England, France and other countries has resulted in a steady influx of foreign money. Certain industries appear to be flourishing, especially those connected with armaments and military supplies. At present Leopold Mandl, who controls that part of industrial activity, is turning out millions of cartridges for Italy. In Wiener Neustadt new works were recently opened for the construction of aeroplanes and gas masks. Canned goods factories have been working in three shifts night and day, ostensibly for the Italian army. It was these advantages that determined the Austrian attitude at Geneva.

But Austria realizes that these ad-

vantages are merely temporary, for her basic general economic condition is still unsound. There is not the slightest sign of an increase in the purchasing power of the people. Notwithstanding the clumsily doctored official statistics, unemployment is not diminishing. The peasants are groaning under their load of taxation. The middle classes are sinking still lower. Such tests as social insurance and savings bank deposits show that though a few highly centralized and partly foreign owned industries are active, the Austrian economic level remains dangerously low.

In the earlier part of 1935 it was fairly safe to say that the present régime, although fiercely opposed by about 80 per cent of the population, had a chance of survival because this 80 per cent was split into two hostile parties of roughly equal strength—the National Socialists and the so-called Reds, the latter being further divided into factions of irreconcilable Communists and militant Socialists.

Recent months have witnessed a gradual shifting of these political forces. The National Socialists lost ground heavily, partly because of the proclaimed non-success of the German experiment and partly because of the incapacity and alleged corruption of the local Nazi leaders. Thus the Austrian Nazis became fundamentally demoralized. Thousands of them either lapsed into political inactivity or, in disgust, threw in their lot with the Reds. As a political unit the Austrian Nazis became utterly incapable of causing real trouble.

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Their enfeeblement obviously meant increasing the strength of the Reds. The fusion in July, after long and difficult negotiations, of the Communist and the Social-Democratic illegal trade-union organizations had a tonic effect upon the whole of what is popularly known as "the advanced movement." The illegal trade unions, in most industrial districts, are undoubtedly much more powerful and levy greater tolls than the official trade unions formed by the government, membership in which is an indispensable condition of employment. While cheerfully finding dues for the illegal unions, workmen stubbornly refuse to pay their contributions to the government organizations and in many cases their employers are compelled to pay for them. In this and other ways the workmen are showing signs of increased combativeness, and in some cases they have resorted to strikes and "passive resistance," even at the risk of prosecution and severe penalties.

This unity of the Reds in trade-union affairs has had an important effect in the political field. It has resulted in closer cooperation between the Communist and the Socialist parties, and it is now acting as a powerful magnet to the Christian workingmen, who had hitherto held aloof from the extremist factions. The Red leaders have adroitly altered their tactics; they have now adopted the French Popular Front as their model. They hope gradually to create a single powerful cohesive opposition to the government by bringing together the Communists, the Socialists, the "bourgeois" Liberals, the Christian trade unionists, the dissident sections of the old Christian Social party and the malcontents who have deserted the Nazis. Some part of that program they realized in the early Autumn.

The position of the government was naturally weakened by this shifting of forces within the opposition camps, and Chancellor Schuschnigg found that he could not hope to continue the old game of playing against each other two equally strong antagonistic groups. But the government also suffered from dissension among its own component parts and bitter personal antipathies within the Cabinet itself. Before the October coup d'état the government forces, small as they were, comprised groups with varying aims, jealously watching each other, sometimes even sniping surreptitiously at each other. They were:

1. The Clerical group headed by Chancellor Schuschnigg with the armed force known as the Ost Maerkische Sturmscharen as its main buttress and with Cardinal Innitzer and the Vatican in the immediate background.

2. The Fascist group led by the Vice Chancellor, Prince von Starheimberg, its stand-by being the Heimwehr, with Mussolini held up as its inspiring ideal.

3. The Christian Democratic group, with the Freiheitsbund (which the government did not succeed in abolishing) and the Christian trade unionists. Their leaders, Kunschak and Winter, are men of integrity but appear to lack political skill. Popular prophecy avows that this group is fated to take its position in the Austrian Popular Front.

4. The German National group, which calls itself National Action and is composed of members of the former Agrarian and Great German parties. Although not ostensibly Nazis, they have strong affinities with the Nazis, are anti-Italian, anti-Clerical and anti-democratic. They remained quiescent for a long time, but in August with the assistance of von Papen, German





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Minister to Austria, they suddenly reappeared upon the political stage.

The demands of this last-named group were expounded by Governor Rehr of Salzburg to Chancellor Schuschnigg at a secret conference held in Schloss Fischhorn in the Tyrol on Aug. 2, with von Papen supporting the advantages of these demands by making abundant promises on behalf of Hitler. Briefly, the demands were: Permission to conduct German propaganda openly, instead of secretly, and to raise an armed force; abstention from all anti-German diplomatic activity on the part of the government; the reconstruction of the Ministry (not immediately but in some months) so as to give it a pro-German character. Schuschnigg, Starhemberg, Berger-Waldenegg, Stockinger and Neustädter-Stürmer were to be ousted and replaced by "nationally minded" men.

Fey was originally included in the list of prospective sacrifices, but he subsequently made his peace with the Nationalists and was promised the portfolio of War in the proposed new administration. This is significant in view of what happened later. In the contemplated new Cabinet Governor

Gleissner of Upper Austria was to be Chancellor, while among the Ministers were going to be Rehr himself, Hueber (Goering's brother-in-law), Professor Srbik, the Germanophile historian, and State Secretaries Funder and Karwinsky.

Von Papen's promises included the cessation of all revolutionary activities on the part of the Austrian Nazis and various economic concessions and finally large armament orders for Austrian industry. Schuschnigg is reported to have broken up the conference after a violent altercation. Yet a few days later his government began to act on at least some of Rehr's demands. A press conference was summoned at which it was made clear by the government that the Austrian newspapers must in future refrain from all criticism of the German leaders and of German institutions. Anton von Rintelen, recently sentenced for participation in the abortive Nazi rising of July, 1934, was promised early release and a number of Nazi political prisoners were set free. The "feud in the air" that had for two years embittered Austro-German relations was terminated by an agreement whereby

German radio programs were to be broadcast in Austria and vice versa.

The insecurity felt by the Austrian Cabinet as the result of these developments was illustrated by what happened on the day when the League Commission of Five terminated its report on the Ethiopian dispute. At 2 P. M. a message reached Vienna from Rome intimating that Mussolini had decided to withdraw from the League. Half an hour later a message reached the government from the frontier to the effect that suspicious movements of the so-called Austrian Legion could be observed on the Bavarian side of the border. The Cabinet was hastily summoned and aeroplanes were held in readiness for the immediate flight of the Ministers and their families. When, however, the Chancellor telephoned to Rome and was informed that Italy was not leaving Geneva the excitement subsided and the aeroplanes were put back in their hangars.

Personal factors have further impaired the strength of the government. Chancellor Schuschnigg, an upright and deeply religious man, within a month lost both his wife and his mother, and the accident that proved fatal to his wife gravely affected the health of his little son. The Chancellor persuaded himself, so his intimates aver, that this series of tragedies was a sign of divine displeasure, and was dissuaded from resigning only by the exercise of great pressure on the part of President Miklas and Cardinal Innitzer.

Then, too, a shadow was cast upon the administration by allegations regarding the relations of Minister of Commerce Stockinger with the important commercial firm of Gabler & Co. The connection has never been proved to be anything but innocent, but the distortions of popular gossip, persistently repeated, had a bad effect.

The most extraordinary case has been that of Major Fey, in some respects the dark horse of Austrian politics. He was the head of the Heimwehr in Vienna, but apart from being long suspected of Nazi sympathies he was more than suspected of intriguing against Starhemberg, the supreme chief of the Heimwehr. Some months ago Dr. Kreisler, a Viennese lawyer, who now resides in Czechoslovakia, published an elaborate treatise on how Chancellor Dollfuss met his tragic end. Kreisler makes the monstrous charge that Fey was privy to the plot which led to the Chancellor's assassination. Fey declined to institute proceedings, but his colleagues in the Cabinet took the amazing step of ordering an inquiry into the charge, while indicating their belief in his complete innocence by retaining him in office.

The incidents that have been mentioned might be dismissed as merely idle or malicious gossip. But no chronicle of the political life of the Austrian capital would be complete that did not register these facts and opinions as the firmly held convictions not merely of the man in the street but of solid, sober, educated people, who pointed to them as proving the utter lack of cohesion and stamina that characterized the government. Such, at any rate, was the atmosphere in Vienna early in October. The situation was all the more dangerous because war clouds seemed to be gathering on the European horizon. It was felt that something radical must be done. And suddenly, very unexpectedly, Prince von Starhemberg, the Vice Chancellor, took drastic and swift action.

Starhemberg is a gifted young man who has never been taken seriously enough by his opponents. For that he himself is partly to blame, because he

believes he can keep his public and private life in watertight compartments. The liveliness with which gossip, rightly or wrongly, invests his affairs of the heart detracts from the seriousness of his political standing. When that curiously assorted pair, Herr von Papen and Governor Rehr, in their interview with Chancellor Schuschnigg demanded the removal of Starhemberg, they completely underestimated that young man's strength of purpose.

Not for the first time, Starhemberg proceeded to turn the tables upon his adversaries. Instead of their ousting him, he ousted them. Fey, Funder and Karwinsky, the three members of the government who were in touch with the Fischhorn Castle conspirators, were unceremoniously removed from office. The other pro-German candidates for power, Gleissner, Rehr, Hueber and Srbik, were of course left in outer darkness. The opportunity was seized to get rid of Neustädter-Stuermer, a Minister who, although loyal enough, was a source of weakness rather than of strength. Ex-Chancellor Buresch, who was retained in the Cabinet without portfolio, was removed from the Finance Ministry because of his misgivings regarding Austria's refusal to adopt sanctions against Italy. The new men appointed were stanch adherents of Starhemberg. There can be no doubt that the Cabinet gained in solidity by the dramatic reconstruction it underwent.

But these personal changes are merely symbolical of a new political method. Hitherto the Austrian Government had been based upon a conglomerate of conflicting factions and their respective armed forces. Now the attempt was to be made to fuse this conglomerate into a solid bloc, with the various armed forces merged

in a national militia. The reshaped Cabinet still includes two parties—the Clericals under Schuschnigg and the Fascists under Starhemberg—who have called a truce but are in aims and sympathies far from united. And it may be doubted whether the individual members of their armed forces will alter their political convictions when they doff their distinctive uniforms and exchange them for the uniform of the national militia. Nor does it seem likely that the confirmed Nazis or the obstinate Reds will soften or abate their hostilities because the enemy has reorganized his forces.

The Starhemberg coup cannot in any case be lightly dismissed, for it is important in both its internal and its international effects. Good Austrian patriot that Starhemberg is, he is also an enthusiastic follower of Mussolini; rightly or wrongly, he is convinced that the Fascist way is the only way not only for Italy but also for Austria.

Austria's present connection with Italy raises two questions that in coming months may decisively affect the international situation: Henceforth, what will be the relations between Austria and the Western powers that are the main buttress of the League of Nations? Of what nature will be Austria's relations with Germany?

Since under Starhemberg's rule Austria is practically a vassal State of Fascist Italy, the answer to the first question depends on the future relations between Italy on the one hand and Britain and France on the other. That at this moment rests in the lap of the gods.

The answer to the second question depends partly upon the answer to the first. But there are signs and portents. The military power of Germany has increased enormously, is increas-

ing, and is likely to go on increasing. Italy looks like having her hands full in East Africa for a quite indefinite period. Mussolini's declaration that no matter what happens in Ethiopia he will still have abundant men for the Brenner was received with mild skepticism in Vienna. The much-talked-of Danubian Pact is still only in the discussion stage. The relations between Italy and the Western powers, in the combined action of which Austria saw her surest guarantees, are anything but harmonious today. The line of least resistance is shifting. Herr von Papen is not slow in pointing out how it is shifting. Before the eyes of a discontented Austrian population he dangles a German policy of benevolence that would, under a camouflaged pro-German administration, act as a bridge between Rome and Berlin and as the cement in a new Central European bloc, composed of Germany, Poland, Hungary, Italy and Austria.

Starhemberg's October coup was directed ostensibly against German intrigues. But he cannot afford to ignore the changing situation. The fact that he refuses to open the door of the Austrian Cabinet to Nazi or German-minded politicians is no bar to his working with Germany in the field of foreign policy. After all, he is caught in the Italian entanglement. For Italy's sake he risks estrangement with the League and the Western powers. But in the long run Italy cannot stand alone and in Starhemberg's personal entourage—to say nothing of that of Foreign Minister Berger-Waldenegg—there are influential voices urging the desirability of making Austria the bridge between Berlin and Rome. Starhemberg would not be true to his own cherished political convictions were he to reject the idea that Austria should become the cementing force binding together a mighty bloc of Fascist

States: Italy, Germany, Hungary and possibly Poland. That way lies danger—danger for the peace of Europe.

Here we touch the vital lesson of the Austrian experiment. The League and the Western powers for several years past have kept on pumping the oxygen of financial and moral support into an almost moribund nation in an attempt to give its present makeshift régime a semblance of life. At the first test the futility of this policy is becoming evident. From the Western point of view the present Austrian State is a hollow sham. It has neither the cohesion requisite to take a decision nor the strength necessary to carry a decision into effect. Even with the comparatively resolute Starhemberg at its head, it will take the line of least resistance and that line is to remain pro-Italian while becoming also pro-German. Austria is a gate. The moment that gate is open, the cohorts of German militarism will pour through it and through Hungary and the Balkans and knock imperiously at the door of the Orient. That means a recurrence of the 1914 situation with all its tragic consequences.

If things should take this course, the blame will fall on those statesmen who failed to distinguish between Austria and the existing Austrian régime. An Austrian monarchy, an Austrian parliamentary republic or any form of Austrian State that is based upon the support of the Austrian people would be a guarantee of European peace. But an Austrian régime that has roots neither in history nor in the nation, that is obviously adrift, that is compelled by inexorable circumstances to adopt the line of least resistance, that has neither stamina nor political nor industrial nor economic strength, is and will remain a positive danger to European harmony and peace.



# Mackenzie King Comes Back

By FREDERICK A. ACLAND\*

IN the study at Laurier House in Ottawa William Lyon Mackenzie King is awaiting the returns from the general election. It is Oct. 14, 1935, and on this day men and women throughout Canada have gone to the polls. Soon the radio will begin to tell how the ballots were cast.

Awaiting election returns is no new experience for Mr. King. More than a quarter century ago he ran for Parliament, and in every general election since then he has been an interested participant. He was Premier of the Dominion during the difficult post-war Twenties; will his party now gain power and again carry him into the Premiership?

There have been defeats in the past. Three times he has lost elections, and for eight eventful years, including those of the war, he remained out of Parliament. Then in 1930, after a brilliant period of office, he was again pushed aside when a Conservative landslide ended the Liberals' precarious hold on the government and gave Dominion leadership to R. B. Bennett, a wealthy Western lawyer, whose position in Canadian political life had up to that time seemed far less distinguished than Mr. King's. The defeat in 1930 was a cruel blow, but as the lean years came, each worse than its predecessor, it began to appear that destiny had a kindly side.

These dark years, it is safe to believe, will be associated in the public

mind and in history with the Bennett administration and not with the Mackenzie King régime, which from 1921 to 1930 had been marked by continually increasing prosperity. At any rate, the decision of the voters will soon be known. It is sundown and balloting has already ceased in the Provinces along the Eastern sea; shortly it will be over in the Western Provinces as well.

It has been a great campaign. Mr. Bennett has poured out radio and platform addresses that told what his administration had or had not done, and still more what it would or would not do during the next five years. Social reform, the subject which has long been connected with the name of Mackenzie King, appeared suddenly to appeal to Mr. Bennett. As the general election drew near he mixed a Gargantuan dish of all that had hitherto been anathema to a Conservative stomach—minimum wages, shorter working hours, unemployment insurance, health insurance, and what not—and rushed some legislation through at the last session of a dying Parliament as an earnest of the greater efforts to come if he remained in office.

Presumably Mr. Bennett's followers in Parliament, as well as in the country at large, have found it impossible to digest all this strange legislative food, food which their leaders in the past had never allowed them to touch. The charge was commonly made, sometimes but half seriously, that Mr. Bennett had converted the Premiership into a sort of dictatorship and had not bothered to consult his col-

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leagues on matters of the highest importance. There is much to show that as Prime Minister he frequently found it difficult to draw an absolute distinction between dominating and domineering.

The contest, however, has not been confined to the two old parties. Mr. H. H. Stevens, a former colleague of Mr. Bennett, disagreed with him publicly, left the government and started the Reconstruction party. His party has run candidates in two-thirds of the constituencies, and his vigorous campaign and enthusiastic gatherings have had an ominous appearance. Mr. Woodsworth, an old-time philosophic Socialist, has also organized a new party and entered candidates in many ridings, particularly in the West. Mr. Woodsworth has a sure seat in Winnipeg, and his party will probably capture a few additional seats. Finally, the Social Credit party, which had but lately in a brilliant coup captured the government of Alberta by promising that fifteen months after taking office it would begin paying a monthly bonus of \$25 to every adult resident in the Province, has run numerous candidates in the three westernmost Provinces.

In all, there are 896 candidates for 245 seats. The Liberals, who in the old Parliament held slightly over a third of the seats, have not held an actual party majority in the House of Commons since Sir Wilfrid Laurier's defeat in 1911. Can they now hope, with the confusion of issues and multiplicity of parties, to defeat Mr. Bennett and the Conservatives?

Mackenzie King, chatting with a few personal friends gathered with him to listen to the returns, appears in fairly robust condition. He, too, has been through a strenuous campaign and shows signs of a natural fatigue. A decided portliness which

for a while marked his physique has disappeared, and he remains, in his sixty-second year, a sturdy figure, somewhat under middle height. A pleasing graciousness has always stood him in good stead, and while neither he nor Mr. Bennett has the gift of great oratory, both are, it is hardly necessary to remark, capable speakers. Mr. Bennett's manner is blunt and unpersuasive; Mr. King's a little academic.

Mr. King's study contains not only the books that would naturally be assembled by a cultured man given equally to letters and to action, but treasures of a rarer kind—illuminated addresses from civic corporations and all sorts of other organizations in Canada, gold and silver caskets from famous cities in Great Britain carrying the freedom of the city, and countless other tributes that come to a prominent public figure. Of all the treasures to be seen, that which probably lies nearest to Mr. King's heart is a marble bust of his mother, Grace Mackenzie King, the memory of whom is among the most precious of his possessions. There are no hunting or golfing trophies in the study, for Mr. King is not a sportsman. He rides, but he neither plays cards nor smokes.

A man fond of country life, he owns a rather extensive estate near Ottawa. There also is his Summer home so far as the duties of public life permit. Laurier House, Mr. King's Ottawa residence, will be his home so long as he remains leader of the Liberal party, for it was left by Sir Wilfrid Laurier as a residence for whoever may be the Liberal chieftain. It is a handsome and commodious mansion, but in no sense palatial.

When Mackenzie King went to Ottawa in 1900 to enter the civil service he was 26 years old. Born in 1874 at Berlin (later renamed Kitch-

ener), Ontario, he was graduated in 1896 from the University of Toronto, from which his father, John King, K. C., had been graduated years before. Mackenzie King later studied at the University of Chicago, residing for a time at Hull House, and afterward did post-graduate work at Harvard. A Harvard traveling fellowship took him to Europe for an investigation of social problems, and during that period he spent some time at the Passmore Edwards Settlement in London. Upon his return to Canada he did a little newspaper work in Toronto. Then he was ready for government service.

Sir Wilfrid Laurier, Canada's great Liberal leader, was from the first attracted to young Mackenzie King. After learning that the new official looked to the civil service chiefly as preparation for a public career, he began to watch him closely. Quickly Laurier marked down King as a man qualified especially not only for public life, but also perhaps for leadership of the Liberal party.

Although Laurier did not divulge his ideas to Mr. King himself, he spoke quietly of them to those then in his counsel. Seven years after Mr. King's arrival in Ottawa he was invited to a seat in the Laurier Cabinet as soon as a constituency could be found for him. Delay in securing a seat deferred until October, 1908, the change from civil service to public life. Mr. King's appointment as Minister of Labor followed a few months later. Prophetic insight was surely among the rare gifts which combined to lift Laurier to a high level of statesmanship, and it was never more brilliantly exercised than in his forecast of Mackenzie King's future and in the opportunities he gave the young civil servant for self-development.

It is not, however, quite fair to give

the impression that Mr. King's ambition to enter public life was a desire for self-aggrandizement. No doubt motives are mixed in most human undertakings, but public service in Canada has not as a rule led to wealth or glory. Nothing short of an entire reconstruction of the whole social order was the captivating ideal which simmered in the young statesman's mind—the creation, in short, of conditions that would better the condition of the masses, a large degree of self-government for industrial workers, the removal of the strike and lockout as factors in industry, technical education, health insurance, old-age pensions, fair wages and proper working conditions, shorter working hours, unemployment insurance, widows' pensions, maternity and infant benefits and any other measures that would tend to ameliorate the ills of modern society.

But practical statesmanship has its limitations. A new social order cannot be created in a flash. "Hasten slowly" is a wise precept. Mr. King made a good start, had indeed made a start even before leaving the civil service, since in the capacity of Deputy Minister of Labor he had secured the enactment in 1907 of a statute for the elimination, in part at least, of industrial warfare. This legislation was widely praised abroad as well as at home.

But in 1911 the Laurier government was defeated at the polls on matters remote from those with which Mr. King had to do, and Mr. King was not only out of office but out of Parliament. His private means were limited, and though unmarried then, as now, circumstances had placed on him severe domestic obligations which he could not and would not overlook. Early in 1914, as a result largely of the reputation he had earned by suc-

cessfully adjusting industrial disputes, Mr. King was invited to become Director of Industrial Research of the Rockefeller Foundation. The next two or three years were spent preventing or settling industrial disputes in the United States.

Mr. King, though out of public life, closely watched the political situation in Canada and awaited an opportunity to return at least to Parliament. His acceptance of the Rockefeller Foundation position was conditional upon his being allowed to reside in Canada, although his work would necessitate some absences in the United States. It was during this period that Mr. Mackenzie King gathered the material for his principal book, *Industry and Humanity*, the expressive and appealing title of which shows how strongly he yet adhered to his earlier ideals of human betterment. The subtitle of the volume is *A Study in the Principles Underlying Industrial Reconstruction*, the book being in fact a manual for social legislation.

Mr. King has realized from the first that under the Constitution of Canada, save by agreement between Dominion and Provinces, legislation relating to social problems falls chiefly to the Provinces. This is not to say, Mr. King has contended, that the Dominion must in such matters remain necessarily inactive, but rather that the objective can be best attained, not by an autocratic assumption of authority by the Dominion, but by friendly consultation and cooperation with the Provinces.

On this last point it may be noted that one of the striking incidents in the electoral campaign was a radio broadcast of good-will messages to Mr. King from the heads of the government of eight of the nine Provinces of Canada; the only Province not so broadcasting was Alberta, and its ab-

stention was due simply to the fact that it had gone Social Credit. In reply Mr. King reiterated his announced intention, if called to the Premiership, of bringing about a Dominion-Provincial conference to tackle the crucial problems of unemployment and relief. These matters and the lowering of the tariff are in fact the outstanding features of the Liberal policy. Mr. King has repeatedly insisted that the high tariff maintained by the Bennett government shackles trade and prevents economic development.

But the evening is passing. The returns are coming in faster than ever, even from the Far West. In innumerable households groups are listening to the verdict. There has been no uncertainty about the result since the earliest returns, when one member from New Brunswick was declared the sole supporter for Mr. Bennett from the three Maritime Provinces. A Liberal sweep is certain. Long before 10 o'clock the Bennett government has disappeared; the majority of Mr. Bennett's Ministers have lost their seats; practically all the Liberal chieftains are returned by good majorities, as is also Mr. Bennett himself.

Mr. King and his followers have by midnight secured about 170 seats out of 245, the largest majority ever obtained by any government in Canada; Mr. Bennett has retained but 40 seats. Mr. Stevens holds his seat out in far-away East Kootenay, British Columbia, but not one of his 170 candidates has scored a victory. The followers of Mr. Aberhart have elected 17 Social Credit members, chiefly in Alberta, and Mr. Woodsworth's party has elected 8. A few scattered Independents complete the roll. Soon after 11 o'clock Mr. Bennett, Mr. Stevens and Mr. Woodsworth admit defeat. Mackenzie King is about to assume again the Premiership of Canada.



# Eastman of the Railroads

By RALPH G. SUCHER\*

JOSEPH B. EASTMAN has pushed through Congress since 1933 the major part of a plan to bring American transportation under unified control. For sixteen years a member of the Interstate Commerce Commission, he is now as Federal Coordinator extending its regulatory power from the railroads to all interstate carriers by highway, water and air. This program profoundly changes the functions of the commission and launches the United States Government in the regulation of transport upon a greatly enlarged scale.

When Mr. Eastman went to Washington in 1919 to take his place on the Interstate Commerce Commission he was 37 years old. Even then he had had considerable experience in the study of transportation, for he began his career in this field in 1906. He has never left it. Born at Katonah, N. Y., in 1882, he attended Amherst College, from which he was graduated in 1904. Two years later at Boston he became secretary of the Public Franchise League.

Since Eastman's appointment as coordinator, he has more than once referred to the "liberal education" he received in Boston. The members of the league, he recalls, busied themselves, "without any special axe to grind, studying important questions with regard to railways and public utilities and presenting their views to the Legislature and the commissions." Among his associates during his

seven years with the league were Louis D. Brandeis, Dean Roscoe Pound, Dr. Morton Prince, Edward A. Filene and George W. Anderson, later Interstate Commerce Commissioner and Federal Judge. Eastman was a member of the Massachusetts Public Service Commission from 1915 until 1919, when President Wilson, at the suggestion of Mr. Brandeis, appointed him to the Interstate Commerce Commission.

During the years that have passed he has steadily become a more and more influential figure. Before Congressional committees, as in conference, he is sure-footed, straightforward, armed with facts. He is more familiar with legislative procedure than most of the members on Capitol Hill—only fourteen members of the present Senate were in their seats when he began his tenure in Washington.

Mr. Eastman has served under Presidents Wilson, Harding, Coolidge, Hoover and Roosevelt, frequently finding himself at odds with the administration in power. But a long term in office has not dulled his enthusiasm or made him cynical. "It is a common belief," he has said, "that the desire for financial gain is the only motive which will impel men to their best endeavors. I challenge that tenet wholeheartedly. I was brought up in a minister's family, I have enjoyed the friendship of doctors, school teachers and professors, and I have had an opportunity to observe men in public life as well as many engaged in private business. It is my profound conviction that the best things which have been done

\*Mr. Sucher studied transportation in Washington from 1919 to 1934, and has written widely on the subject.

in the world have been impelled by higher motives than the desire for gain."

Many of the problems the coordinator faces today had their roots in the post-war period when Congress debated the legislation that was to govern railroad policy well into the depression. Wartime control of the roads by the Federal Government was drawing to a close. Director General McAdoo and his successor, Walker D. Hines, proposed a further test of government operation under peace conditions. In a letter to a Senate committee a few months after he took office in 1919, Eastman emphasized the need to insure necessary capital for the railroads at low cost, to avoid unduly high rates, to obtain operating advantages from unification, and to promote good relations with labor. "There are grounds for criticism of operation and policy since the beginning of Federal control," he conceded, "but none of them justifies the conclusion that national operation is unsound or that it ought to be abandoned."

Over the stubborn opposition of a small minority led by the late Senator La Follette, Congress returned the roads to private operation with the passage of the Transportation Act of 1920. This law introduced a new rule of rate-making, for it directed the Interstate Commerce Commission to maintain rates yielding the carriers as a whole a return of not less than  $5\frac{1}{2}$  per cent. The commission immediately ordered a horizontal increase in rates. The 1920 rule of rate-making remained in force until 1933, when Congress repealed it in the act creating the office of Coordinator.

Nearly 1,200 cases were decided by the commission in formal reports from 1919 to 1933. In more than half of them Mr. Eastman has dissented, in whole or in part. Altogether he has

written about 400 dissenting opinions, while the commission, in more than 200 cases, has adopted his report as the majority view.

Probably no other man in public life has written so extensively on transportation problems. His decisions, phrased in a lucid style, free from railroad jargon, reflect an unusual power to assimilate complex facts and to present them simply. A consistent thread runs through his decisions. He has condemned control of the railroads by holding companies, criticized fees and charges paid out in the reorganization of bankrupt carriers, and again and again since 1920 he has urged the policy he emphasizes as Coordinator—that the roads must modernize their rates and services to keep pace with newer forms of transport.

The rate increases of 1920 coincided with the advent of motor vehicles as lusty competitors of the railroads. Large industries began to provide their own transportation with private fleets of trucks and spread their plants and warehouses to avoid high rates. The Coordinator's surveys disclose even more striking changes in American travel habits. From the peak of 47,000,000,000 passenger miles in 1920, travel on the railroads had declined steadily to 16,000,000,000 in 1933, when it was no greater than in 1900 and, measured by per capita expenditures, was less than in any year since 1871. Meanwhile, intercity travel by private automobile rose from 7,000,000,000 passenger miles in 1920 to 185,000,000,000 in 1933. The highway bus, in the latter year, carried one-third as much traffic as the passenger train.

Railroad passenger revenues, which amounted to \$1,304,000,000 in 1920, fell to \$875,000,000 in 1929, and to \$329,000,000 in 1933; freight revenues of \$4,420,000,000 in 1920 had increased

*The Decline of the Railroads*

	1920	1929	1933
Revenues from passengers.....	\$1,304,000,000	\$875,000,000	\$329,000,000
Revenues from freight.....	\$4,420,000,000	\$4,899,000,000	\$2,528,000,000
Dividends paid .....	\$331,000,000	\$560,900,000	\$158,800,000
Number of employes.....	2,075,000	1,694,000	990,000

slightly by 1929, but by 1933 fell to \$2,528,000,000. This enormous loss in revenues, accelerated by the depression, was accompanied by a decline in railroad employment from 2,075,000 in 1920 to 1,694,000 in 1929, and 990,000 in 1933.

The impact of the revolution which had taken place in American transport since the World War was being felt when Mr. Eastman was appointed Coordinator by President Roosevelt in June, 1933. With one-sixth of the railroad mileage of the country passing into the hands of receivers or trustees, the railroads, always a barometer of general business activity, had fallen to a lower state than any other major industry. Professor Winthrop M. Daniels of Yale, a former colleague of Mr. Eastman on the Interstate Commerce Commission, has estimated that with the market value of railroad equities sunk to about \$2,350,000,000, a little over \$1,000,000,000 would have sufficed to secure government control of the railroads. Writing in *CURRENT HISTORY* for January, 1935, he said: "Had the extreme New Dealers had the imagination and audacity which prompted Disraeli to buy the Suez Canal shares for Great Britain or which moved Jefferson to buy Louisiana for the United States, they could have achieved government control of all railroad properties in the United States, and Congress would have fallen over itself in its haste to ratify the acquisition."

Did the administration pass up the greatest transportation "bargain" in history? Or did Eastman, the dissenter, under a crushing burden of responsibility, shrink from the supreme test of his theories of government ownership? The act of June, 1933, submitted to Congress by President Roosevelt with Mr. Eastman at his elbow, gave the Coordinator no authority to take over the railroads. It did, however, invest him with unprecedented power to recommend plans to Congress as a basis for permanent legislation.

In his first report, in January, 1934, he outlined a plan for government operation but, while declaring that "theoretically and logically" it met "the known ills of the present situation better than any other remedy," he did not recommend its immediate adoption. Early this year at a meeting of railroad employes, who have strongly favored government operation, he opposed it on the ground that public opinion at that time was lacking to protect it against the "peculiar temptation, under present conditions \* \* \* to utilize the railroads, beyond the limits of any sound plan, as a convenient means of re-employment, or of resuscitating the capital goods industries."

Eastman has taken seriously the duty imposed on him by Congress to devise measures to eliminate waste and duplication. The surveys he began in 1933 have suggested many

changes which would vitally affect the railroads whether they remain under private operation or pass to government control. With a small staff and limited funds, the Coordinator has directed laborious researches into railroad operation, service, equipment and rates. These surveys have produced specific and detailed plans for the better handling of passenger, merchandise and freight carload traffic; pooling of cars; joint use of terminal facilities; standardization of equipment, materials and supplies; improved purchasing methods; and the establishment of a centralized railroad bureau for scientific research. Not a few of the changes proposed have been branded as "visionary" and impracticable. But the searchlight thrown upon methods calling for modernization has had provocative results.

It has been disclosed that the average passenger train, weighing 500 tons, carries but fifteen tons of goods and four tons of passengers. Freight trains, on the average, pull two tons of dead weight to every net ton of freight. The Coordinator has recommended a new type of lightweight passenger car, motor-driven, capable of being operated singly or in trains to meet the actual needs of traffic. His staff has blue-printed the ideal freight car "not of the future but of today: strong enough to drag one thousand times its weight \* \* \* insulated, coolable and heatable \* \* \* speedy in terminals as well as on the road; accessible for loading and unloading from any one of its six sides; and transferable from rail to highway chassis vertically, longitudinally and laterally."

As a means of stimulating rail travel and adapting the service to present-day conditions, the surveys suggest such innovations as abolition of tipping on trains and in stations,

collection and delivery of the passenger's luggage, transport of his automobile for an extra fare, and consolidation of depots and ticket offices. "I have been convinced by these studies," Mr. Eastman declares, "that there are large opportunities for improving railroad operation, services, equipment and rates in ways which will not only save expense but add materially to traffic revenues." The motor vehicle has so increased the travel habit of the American people, as he sees it, that the railroads can draw upon a great reservoir of traffic without seriously affecting automobile travel.

Lacking adequate power to enforce his recommendations, the Coordinator has met resistance to many of the changes he has proposed. The railroad employes, their ranks cut in half since 1920, have eagerly welcomed improvements in service and operation that would stimulate the volume of traffic. For different reasons, though in company with the executives of the individual lines, labor has stoutly opposed unification of terminals, the elimination of duplicating trains and services and other measures that would have the immediate effect of reducing employment.

Congress at the last session extended Eastman's term as Coordinator until June, 1936, continuing, also, the restrictions against economies which would reduce employment. Representatives of the carriers have suggested that the American Association of Railways could better perform the work of coordination now entrusted to an officer of the Federal Government, but the railroad employes favored the bill renewing Eastman's powers for another year.

Checked in his plans for modernizing the railroads, the Coordinator forged ahead with a legislative pro-



gram to bring all interstate carriers under one Federal regulatory body. The demand for legislation to regulate the truck and the bus, originating with the railroads, had been renewed at each session of Congress since 1926. State public utility commissions supported it on the ground that motor transport could not be effectively regulated without control of interstate carriers by the Federal Government. When thousands of the unemployed turned to the highways during the depression, operating their own trucks at charges often below cost, the established lines in the motor-carrier industry turned to self-regulation under NRA codes. When the codes fell before the Supreme Court decision, Mr. Eastman pressed for action on a bill to give the Interstate Commerce Commission control over the rates and services of highway carriers. Accepting the Coordinator's assurance that the law would not be administered to suppress highway transport, the leaders of the industry supported the Motor Carrier Act, passed by Congress last August.

The two giants of American transport are now, for the first time, under unified control. Mr. Eastman is chairman of the newly created motor carrier division of the commission, which is at present taking the initial steps to extend Federal regulation to a highway system with more than 900,000 miles of improved roads maintained since 1920 at a public cost of \$12,000,000,000. This system parallels 245,000 miles of track operated by railroads with a book value of \$26,000,000,000.

Among the first goals set in the administration of the new law is a concerted attack by Federal and State authorities on the problem of highway accidents. The commission brings to this work a long experience in

the enforcement of similar safety standards on the railroads. Casualties from railroad accidents were progressively reduced from 10,396 killed and 150,159 injured in 1911, to 5,019 killed and 27,494 injured in 1934. The safety provisions of the Motor Carrier Act apply to private fleets of trucks crossing State lines as well as to several hundred thousand carriers whose rates and services will be subject to regulation. Full power is given to the commission to prescribe qualifications and maximum hours of service for drivers and to promote greater safety in both operation and equipment.

As highway regulation goes into effect, action remains to be taken by Congress on other bills to extend the powers of the commission. Partial control over the rates of airmail carriers was vested in the commission under a law enacted last Summer, and a bill for the control of water lines will be resubmitted in January. Water transport has staged a remarkable revival since the World War and local and sectional jealousies and aspirations must be composed before the bill can pass. Mr. Eastman must convince advocates of such projects as the St. Lawrence Seaway and the Lakes-to-the-Gulf Waterway that regulation by the commission will not hamper these developments.

The Coordinator has repeatedly declared that the water carrier, the bus, the truck and the airplane should not be regulated by railroad standards. He believes that "each type of carrier can do certain things better than any of the others" and that none of them can be legislated or regulated out of existence. "No one," he asserts, "can turn back the hands of the clock with any hope that time and progress will be obliterated or sweep back the tide of invention."

# Gentlemen Racketeers

By MEYER BERGER\*

**U**NDERWORLD" has become a confusing term since the great liquor flood of 1917-1933 lifted the humble criminal from cellar hideouts and crumbly tenements to the upper regions—to lofty skyscraper apartments with dropped living rooms and to the most expensive penthouses in town. The tough mug with the turtle-neck sweater and thick-soled boots is a thing of the past. He has degenerated into the smart man-about-town, forsaken his quaint habiliments for smart dinner jacket and patent leather pumps and is hard to distinguish from any other tired business man.

Twenty years ago it was a simple matter to define the underworld of a great city. You merely took inventory of the low-browed persons engaged in such ancient callings as burglary, mayhem, larceny and highway robbery and you had a good picture of the set-up. Now the job is far more complicated. You still have the 'umble burglar, cutpurse and hold-up man, but they represent only the lowest stratum of the underworld.

Modern crook and racketeer organizations have adopted modern business methods and all the fancy office trappings of more legitimate enterprises, proceed only on advice of high-priced counsel, and even in such primitive ventures as murder use the most delicate business finesse.

Twenty or thirty years ago gang murder was still crude. The technique employed by Cain in the Abel job had

not been advanced to any great extent. But with the advent of prohibition and the elevation of the crook and the bum to the status of business man, the art was considerably refined. The "ride" method was introduced. In Chicago an underworld genius developed the "dead man's grip"—a simple trick in which the victim's hand was taken in friendly gesture and held fast by one gunman to prevent his reaching for his gun. A second assassin did the actual killing.

The late Louis (Pretty) Amberg of Brooklyn, who was recently found done in rather neatly with an axe, was the inventor of the "strangle yourself" technique. The subject was laid out with a blackjack or gun-butt blow. As he lay unconscious he was trussed up in such fashion that on awakening and moving his bound knees he tightened a noose fitted around the neck. He could prolong life for a short time by keeping his knees stiff—but muscles tire eventually and there is no way out. Pretty used to say it "sort of soothed" his conscience to think that his victims killed themselves; that he did not have to feel that he was responsible for their death.

The 1935 racketeer boss proceeds about the business of murder with true executive gravity and dignity. In the first place, he never assigns the man who is to do the job. That might involve him directly in a killing if, through some slip, the matter should come before a grand jury. He merely suggests the idea to one of his "front men," who correspond to vice presidents in a large corporation. They, in

\*The author of this article, a member of the news staff of *The New York Times*, is mainly engaged in crime reporting.

turn, pass the order along to one of the outside men, and a homicide expert is assigned to do the job.

That goes for a routine killing in which no special finesse is needed. On important jobs, such as elimination of a too arrogant business partner or competitor, the procedure is even more delicate, and the "finger" method is applied. The racketeer boss, as before, drops a hint that the dispatch of a partner or competitor is imperative to the good and welfare of the organization. To use home talent for such a job merely increases the chance of detection. The presence of a known killer near the quarters of a rival organization is apt to excite suspicion.

Wherefore the front man makes a trip to some other city. New York racketeers, for example, can always call on others in their line in St. Louis, Cincinnati or Chicago to lend them a man or two for a "finger" job. They have a reciprocal arrangement for that sort of thing. The murderer selected for the assignment comes in by train or airplane, is put up at one of the best hotels in town and is treated with all the courtesy that a silk underwear manufacturer would extend to a visiting buyer from Oklahoma City. He is not introduced around, for that would not do at all. He must not be seen or heard.

He stays pretty much in his suite, doing a bit of solo drinking or reading, until a big prizefight at Madison Square Garden or some other major event brings his subject into the open. Then the "finger is put on"—the prospective victim is discreetly pointed out and the murder man looks him over very carefully so that he will know him again when he sees him. Some fussy racketeer bosses insist that the fingering process be gone over three or four times, just to make certain. After that the out-of-towner is left to

his own devices. Equipped with a schedule of the routine habits of his target, he waits for his chance, does the job, and takes the next train or plane back home.

Modern murder methods, coupled with the gangster code against "squealing," have worked out perfectly for the racket chiefs. The percentage of convictions for murder—particularly gang murder—is insignificant. In the past fifteen years no major underworld figure in New York has had to answer to a court of justice for the homicides done at his bidding. The only charges the major racketeer fears at all are charges of income-tax evasion, and, surrounded by sharp and cunning lawyers who have a special talent for "fixing" juries, even that fear is, with him, not the fear of despair. The racket boss has a profound contempt for the courts and creaky court machinery. If gangs and gang chiefs were not wiped out from time to time by the guns of their competitors there would not be enough penthouses and office buildings to hold them.

An underworld is nothing new in New York. Crime we have always had, and probably always will have, with us. But in the old days, before the tough mugs and second-story men had graduated to big business, they were easier to handle as a community problem. Since their pickings were comparatively small, they had no real standing in the community. The policemen, for instance, did not mind improving their muscles at the expense of an ordinary pickpocket or corner loafer. They kicked him around at will, forward-passed him to one another in the back room of the station house and then dragged him before the magistrate, decorated with lumps and bruises, and no one said anything about it. If the court was

curious about the defendant's condition the explanation was always: "He resisted arrest, your honor."

When profits from liquor traffic transformed the underworld types into the dinner-jacket and patent-leather class everything changed. A policeman had to be careful how he handled a prominent bootlegger or even one of the bootlegger's men-at-arms. If he resorted to the old-time tradition of punting the transformed criminals around the police station he might find himself pounding a lonely beat where the cowslips and the daisies grow; some post so distant from his home that he would have to use half his salary for commutation tickets. The reason for that was that the glorified crook, scattering his easily earned bootleg millions around as graft, had political influence.

A lot of good people snort indignation when you say that. They think the racketeers' hold on politicians has been greatly exaggerated. But it has not—not a bit. Why, do those people never stop to ask, were the mighty beer and booze caravans allowed to rumble through the streets of a great city like New York, morning after morning for many years, without interruption from the police? Why were gang leaders immune from arrest, though their murders and pilfering through the most transparent of rackets were known to every man who was not deaf or blind—or both?

The racket bosses and their fugelmen, even if you get to know them pretty well, never mention their political connections outright. They apply the gang code when you ask about them—the code of silence or elaborate, too elaborate, denial. The late Dutch Schultz, a pretty good actor, always overdid his part when reporters asked him if it were not true that he was paying thousands of dollars a week to

a certain politician for protection of the widespread Schultz beer and lottery interests. Dutch would turn on his best babyface stare, let his lower jaw hang a bit to register astonishment, and shake his head. "I don't even know the gentleman," he would say, "though I hear he's a very, very nice guy."

Well, then, snort the good people, if there are relations between gang chiefs and prominent politicians, why does not some one expose them? In the first place, unfortunately, it is not enough to know that such relations exist. There must be legal proof, and that is hard to get. The remote-control system employed by the gang chiefs in murder is applied in graft, too. The underworld boss does not go to the district leader on a street corner and write the weekly check with a gold fountain pen. The two never meet in public, and on the rare occasions when they do get together for an important business conference it is very apt to be in some cozy and well-protected spot far from home. In ordinary routine graft payments and collections the "front men" and the politicians' confidential retainers are the go-betweens. Finding a needle in a haystack as high as the Empire State Building is a lot easier than catching them making their exchange.

Even if you had super-investigators who were above temptation and corruption they would run into insurmountable snags. They would find, for one thing, that no checks were used in the deals between the gangster and the district leader. They would find no written contracts and they would find no telltale bank accounts. The whole nefarious business is conducted on a cash-and-carry basis from beginning to end, and the cash is kept in safe-deposit vaults.

It must not be inferred from all



this that there are no honest policemen and no honest men in public office. There are plenty. But the racket chief does not have to buy the whole police force or the whole administration. He usually confines his activities to a certain part of the town and if he lards the palms of the crooked powers in that quarter he can operate freely and without fear of arrest or prosecution. If a lesser member of the police force—a detective or a patrolman—is stubborn and insists on being troublesome, it is not too difficult, through the district leader, to see that he is sent somewhere where there is a real demand for honesty.

Sometimes, after a particularly brutal murder or an amazingly unsubtle bit of racketeering comes to light—the recent discovery, in New York, for example, of the leech-like “shylocks” who preyed on underfed and broken-spirited debtors, collecting as much as 1,080 per cent on a loan—there is such a howl from the public that officials feel uneasy. In that event there is apt to be a quick conference between the public official and the racket boss and a few of the lesser “front men” may be tossed over the back of the sleigh to appease the hungry wolves of righteousness.

Sometimes the prosecutor out-smarts the cunning racket lawyers and actually puts the sacrificial “front men” (or they may even be men of lesser rank in the rackets, the so-called “heels” or “punks”) behind the bars. In that event the public officials announce that “the back of the racket has been broken.” It has not been broken at all, not even bent, but the public seems to be satisfied in most cases, and the old system swings back into operation after a temporary lay-off or moderation of policy. Sometimes the sacrificial un-

derling is snatched back by the racket lawyers with their sonorous legal balderdash, but in any case the public is satisfied. They feel that at least the racketeers have had the fear of God thrown into them, and will ease off. That is because they do not know racketeers.

Some of the rackets have been perfected to the point where they are hard to distinguish from legal enterprise. In that field the golf-playing penthouse-dweller type of crook can literally thumb his fat nose at the law and the public. A good example may be found in the labor rackets, which are many and varied and, in many instances, too involved for explanation here. The nub of such rackets is, in brief, for a racketeer chief and an employer of labor to get together on some arrangement that will work out profitably for both of them.

The racket chief, let us say, has formed a body of workers in some industry into a hastily organized union. He will do it at a time when the employer must get a lot of work done in a short period to meet some seasonal demand. Then he goes to the employer and sets forth his proposition. He will allow the workers to remain on the job at a small increase in pay but will get them to work a little longer. The manufacturer may have to pay out something like \$25,000 to the racket chief and perhaps as much more in increased wages, but he will get \$100,000 worth of labor out of it.

That is only one phase of modern racketeering. The formation of industrial “associations” is another. In New York, for example, the racketeer looked over the restaurant field and decided there were enough restaurants in the city to yield him a handsome profit. He decided to organize them. His agents told the restaurant men

they could come into the "association" for a \$400 initiation fee and a monthly payment of so much per head as "dues" for the restaurant personnel.

The restaurant men balked—but not for long. They were annoyed by sad-looking pickets parading before their establishments with highly colored signs and looking reproachfully at any customer who entered. Where that did not work, the rush hour business might be interrupted by an unfriendly odor, reminiscent of skunk rampant, mingling with the good healthy odor of delicious stew and good coffee. Stink bombs. If the restaurant man was just plain bull-headed and survived even that, his windows were smashed by some mysterious hand that could never be identified.

It goes without saying that the "association" grew by leaps and bounds. All that the restaurant man got out of it was a neat brass-bound sign proclaiming membership in the association, which he could place in his show window before the admiring public. The racketeer, of course, waxed fatter than ever. The pickets? A thoroughly efficient racket organization will picket any place at any time; it usually keeps a whole corps of pickets, most of whom have never belonged to a labor union and never will, despite the legends on their signs. They work for so much a day.

Labor, industry, policy slip gambling, bootleg liquor, extortion of little shopkeepers—these and a hundred other sources have made modern racket organizations strong and powerful. Many persons predicted that with the end of prohibition the gangster would go back to the turtle-neck

sweater and the thick-soled brogans. But they were wrong. Bootleg millions had set him up in new fields, strengthened his political affiliations and made him more arrogant and grasping than ever. And if you think he has given up bootlegging, that is just another mistake. He has managed, here and there, to get control of old and venerable whisky firms with solid reputations, and is operating them through dummy corporations. He is your host when you feel like going in for a bit of night life along the Great Neon Way because he controls a lot of the night clubs and cabarets. Even the free-lunch on the swanky bar you patronize may be racketeer-controlled. The late Mr. Amberg, who invented the garrot-yourself-as-you-go system, was working out a scheme for a monopoly on pickles, potato chips and other bar-room tid-bits when the boys went to work on him with the axe.

There are a few prosecutors who feel that, although the 1935 racketeer boss is strongly entrenched and more cunningly advised than any underworld leader ever was, he is by no means invulnerable. Given plenty of time, ample funds and a force of men who can operate quietly as investigators, they believe they can reach over the shoulders of the outer racket guards and grab the big shots. Special Prosecutor Thomas E. Dewey in New York is trying out that plan now. If he fails there seems to be only one other solution—with a vigilante committee. Legal gentlemen will cry "anarchy" and flap the Bill of Rights in your face if you suggest anything so crude, but so far they have not done anything to remedy the condition.

# Red Rule in Mexico's Schools

By V. F. CALVERTON\*

MEXICO has set out to revolutionize education—by making it revolutionary. Some nine months ago the movement was instituted amid the blaze of banners and the roll of drums, with 100,000 feet marching in steady procession from one end of the capital city to the other. When the parade had ended, thousands of people listened to Lazaro Cardenas, President of the Mexican Republic, and Lombardo Toledano, leader of the Confederation of Workers and Farmers, explain the new education—Socialist education.

Henceforth Mexican youth is to be taught collectivist economics and psychology, for the aim of Socialist education is primarily not to encourage personal initiative and independence but to see that the individual thinks less of himself and more of society. And he is not to form his own convictions and conclusions, but to accept them ready-made.

By viewing mathematics, history, literature, science and other subjects through the lens of a Socialist view of society, the Mexican Department of Education has already begun a reorganization of primary and secondary school curricula, thereby affecting the studies of nearly 2,000,000 pupils. Universities have not been subjected as yet to such reorganization, although late in September the Mexican Congress received a bill intended to bring this about. Within the next twelve months all Mexican universities will probably lose their present auton-

omy and find themselves under the yoke of the government's educational program.

This drive for Socialist education is the result of a long and bitter struggle waged against the Catholic Church and foreign capitalists. Since Mexican education had for hundreds of years been religious, the leaders of the Mexican revolution held that in order to overcome clericalism they had to prevent the Church from influencing the minds of the people by virtue of its educational authority. For that reason after every stage of the revolution more and more monasteries and cathedrals were taken from the Church and converted into schools for the people. Many of the largest schools in Mexico are today carried on in former church buildings.

The Mexican Government saw an even more formidable enemy in the foreign capitalists. In the Constitution of 1917, which grew out of the revolution of 1916, the new government attempted to buttress itself against the power not only of the Church but also of foreign capitalists, who still own or control almost 90 per cent of Mexico's economic resources. In its labor and agrarian codes, in the new restrictions upon foreign-controlled business enterprise and in the Socialist demagoguery employed to win the revolution, the new government strove to fortify itself against foreign capital. It was in those days, when socialism was the word of the hour, that the idea of Socialist education was born.

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Economic developments following the revolution, however, pushed the idea into the background. The new government found it had to cooperate with foreign and especially American capital to a far greater degree than it had anticipated. Today, however, with the disappearance of Calles, who favored American interests, and with the rise of Cardenas, who derives his main support from the workers, the peasants and the small business men, all of whom are violently anti-imperialist and, therefore, anti-foreign, Socialist education has been revived and adopted as a government policy.

The Cardenas government has put Socialist education into effect because it believes that, ultimately, by educating the populace in the virtues of socialism, the influence of foreign capital can be destroyed. President Cardenas and his followers are convinced that only with the support of a populace that believes in socialism can the government win back the economic resources of the nation and vest them in the Mexican State.

In addition to its value as a weapon against foreign capital, Socialist education is also used to gain the support of the forces of the Left, especially the Confederation of Workers and Farmers, which has for years agitated for it, as well as to undermine the forces on the Right, in particular the Church, which still advocates the restoration of religious education in the schools.

Socialist education in Mexico is, above all, political in its purpose and only secondarily, or even incidentally, educational. Imposed from the top, it is still too much a plaything of the politicians and has not been able to become in practice what it has been proclaimed in theory. In Mexico, where few ideas are not the by-products of politics, the new education

could not have been introduced without bands, banners and marching feet. But after all the confetti strewn at the baptismal celebration has been trodden under foot, there comes the difficult task of nurturing the newborn infant. This task Mexico has tended to neglect.

As outlined in the "Program of Public Education for 1935," formulated by Garcia Tellez and supported by Vasquez Vela, who succeeded Tellez as Minister of Education, Socialist education is based on the assertion that the working class should be the pivot of an educational system and that a Socialist commonwealth is its ultimate objective. From the first sentence, which states that the government has assumed "a most serious obligation in the matter of the education of the working class," to the last, which declares with soapbox fervor that the government will use education as a means of protecting the proletariat from spiritual as well as economic exploitation, the influence of labor is conspicuous.

Three propositions are stated: The eradication of illiteracy, the emancipation of the proletariat and the inculcation of a cooperative instead of a competitive purpose in school and society.

The campaign to get rid of illiteracy has been made a national issue and affects adults as well as children. Professors, students and intellectuals of every variety are urged to lend their aid, publicly and privately, to promote and expedite this campaign. Even the shock brigade idea, popularized by Soviet educators, has been encouraged, with the result that "assimilating brigades" are dispatched to all parts of the country "for the spreading of culture by means of the indigenous languages."

Since two-thirds of the Mexican population is rural, and since in rural



districts illiteracy is most pathetically conspicuous, the main emphasis in the campaign is upon the multiplication of rural schools. In these schools, which become the social centre of the community, the students are taught not only to read, write and count, but also how to live. The whole community becomes part of the school project. The school theatre becomes a community theatre; the school sports become the community sports; the school orchestra becomes the community orchestra. The student bodies build new roads, straighten the streets, number the houses, install telephones, organize postoffices and develop improved agricultural methods. Within the last ten years 12,000 such rural schools have been opened; 2,200 others are to be established this year, and 8,000 more within the next four years. By 1940, it is hoped, Mexican illiteracy will be wiped out.

The second objective of Socialist education, the emancipation of the proletariat, is viewed as indispensable to the creation of a new society. Without an emancipated proletariat, Socialist education cannot achieve its purpose and objective, which is a Socialist State. "Since three-fourths of our population are wage-earners," the program states, "the Socialist school will consecrate itself to the education of the proletariat in order that culture may not be the monopoly of aristocrats and people of wealth." In his inaugural statement Vasquez Vela avowed that Mexican education under his guidance would be devoted "to the great task of helping to achieve the spiritual and economic liberation of the working-class."

In the Francisco Madero school and the Domingo F. Sarmiento school, both in poverty-stricken sections of Mexico City, such proletarian emphasis is conspicuous. On the front

wall of the former are the sculptured faces of three figures: Morelos, leader in the Mexican War of Independence; Zapata, champion of the peasants in the agrarian revolt of twenty years ago, and Lenin. In various school rooms revolutionary frescoes, painted by Pacheco, a former pupil of Diego Rivera, depict sundry phases of Mexican history, all bristling with proletarian challenge and prophesying the future victory of the working-class. One, headed with the words "Proletarians of the World Unite," shows the faces of a score of children carrying a banner inscribed with the motto, "We do not ask for love or charity; we demand our economic liberation." In the Domingo F. Sarmiento school are other revolutionary frescoes, one of which shows the bold, crushing hand of a worker, in whose grip the squirming bodies of a capitalist, a landlord and a priest are being squeezed into pulp.

The study plans, course programs and commission reports drawn up since the introduction of Socialist education all reveal the same proletarian influence. Thus the report of the Commission of Teachers declares: "Man's existence depends upon his ability to support himself. Therefore, economics constitutes the basis of his life. This is in fact the theory of historical materialism, which, along with the theory of class struggle, constitutes the basis of Marx's scientific socialism, all of which we consider the necessary link with the new trend as represented by Article 3 of the Mexican Constitution." The reconstructed program of historical instruction consequently interprets ancient, medieval and modern history in terms of the "relations of production and consumption" qualified by the idea of the class struggle.

Even a subject as remote from social strife as mathematics has been

given a Socialistic interpretation. "Mathematics as taught in the secondary schools," states the official lesson plan, "must serve as a link with other activities, in order to illuminate Socialist, proletarian ideas which will be of benefit and assistance to the working class." One group of teachers is now at work compiling an anthology of French literature which will reflect the growth of proletarian sentiment in that language. In the social sciences the proletarian approach is even more direct.

Most striking is the method of studying English in the secondary schools. English is presented not as dry-as-dust grammar, with emphasis upon form instead of content, but as a vital language bound up with a living society dominated by certain economic and class relationships. The following introductory paragraph to Lesson Six in Second-Year English will indicate the development of the proletarian approach: "This triumph [of the workers] prepared society for the great social change which was to establish a Socialist republic in which all men cooperate and do not exploit each other. All the working-class was prepared for this great event. If the laborers are not organized they cannot expect to get good working conditions. They must form unions, and the best conditions will exist when they establish a Socialist republic and really learn the truth of this sentence: 'Union is strength!'"

The third objective of Socialist education, the inculcation of a cooperative instead of a competitive psychol-

ogy in school and society, is the spiritual backbone of the scheme. As the program for 1935 states, Socialist education aims to eradicate all past emphasis "upon competition and private profit" and in the teaching of commercial subjects to bring about "the elimination of middlemen and the development of experts in socialized economy in its varied cooperative forms." Children earn money in some of the economic activities undertaken in rural and urban schools, and here they are taught to work cooperatively as members of groups and not competitively as separate individuals. "The Socialist school will stress cooperation not only in the classroom," declares the report on Socialist education published by the National Revolutionary party, now in power, "but also among the masses, where cooperation will provide the most effective means of destroying the capitalist system and substituting a Socialist system in its place."

Although the character and purpose of Socialist education have been expounded in public addresses, newspapers, magazines, pamphlets and books, the net result so far is disappointing. The truth is that the teachers themselves are for the most part inadequately equipped; at the present time only a small minority are able to do justice to the program in the classrooms. Unless Socialist education can be made something more than a political device, Mexico will have an educational system that might be progressive in theory but will be retrogressive in practice.

## Current History in Cartoons



A place in the sun

—Philadelphia Inquirer



Ethiopia's  
protectors  
—Guerin Mes-  
chino, Milan

Whatever hap-  
pens, we'll be  
friends  
—South Wales  
Echo, Cardiff



Haile Selassie as seen by Italy, the League and Great Britain  
—Le Rire, Paris





A couple of worried gentlemen  
—News and Observer, Raleigh

Prime Minister Baldwin's  
election platform  
—The Sun, Baltimore



Shhh! Pretend we don't see her

—Glasgow Bulletin



"Am I in business for my health?"  
—Pittsburgh Press



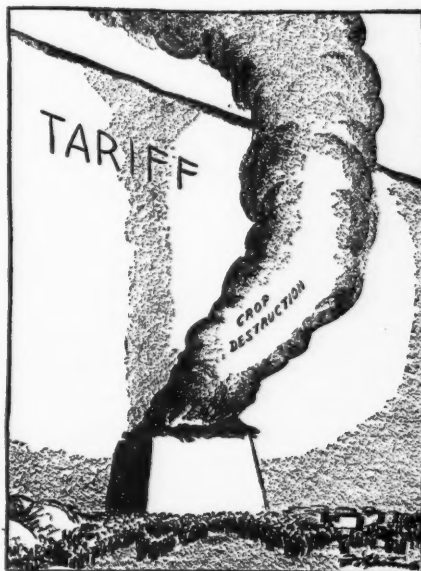
"Too bad! !"  
—Dallas Morning News



Home, sweet home!  
—Chattanooga Times



Especially one as fragrant  
—*Commercial Appeal, Memphis*



What comes of living behind a wall  
—*St. Louis Post-Dispatch*



The voice of the Middle West  
—*Springfield Republican*



Share-croppers  
—*Kansas City Star*



A fighter is no stronger than his legs  
—*St. Louis Star-Times*



Going down—and coming up!  
—*Commercial Appeal, Memphis*



Step right up, boys!  
—*Knickerbocker Press, Albany*



"Don't send my boys to prison"  
—*Washington Post*



# A Month's World History

## Chronology of Current Events

(Figures indicate page numbers.)

### International Events

- Oct. 7—League Council holds Italy guilty of aggression (274).  
Oct. 9—Austria and Hungary balk at sanctions (274).  
Oct. 10—League Assembly condemns Italian aggression (274).  
Oct. 11—League places arms embargo on Italy (275).  
Oct. 13—Italian commander formally takes over Adowa.  
Oct. 14—Nations agree to complete credit blockade of Italy (275).  
Oct. 16—Britain rejects Laval's plea to withdraw Mediterranean fleet.  
Oct. 18—France and Britain reach diplomatic understanding (280).  
Oct. 22—Sir Samuel Hoare tells British Commons that military sanctions can be avoided (279).  
Oct. 26—The United States pledges moral support to League policy.  
Britain bans arms exports to Italy and orders financial sanctions.  
Oct. 30—President Roosevelt and Secretary Hull warn against war trade (290).

### The United States

- Oct. 25—President Roosevelt holds AAA must be permanent (294).  
Oct. 30—AAA establishes corn-loan plans.  
Nov. 5—Local elections indicate slight Republican trend (297).

### Canada

- Oct. 14—Liberals win in general election (299).  
Nov. 11—Canadian-American trade treaty announced (300).

### Latin America

- Oct. 9—Colombian trade treaty with United States published (305).  
Oct. 23—Mexican President asks for foreign capital to develop country (304).  
Oct. 28—Chaco peace conference declares war ended (302).  
Nov. 3—Provincial elections in Argentina cause unrest (303).  
Nov. 5—Mexican President refuses to modify curb on Catholics (305).

### The British Empire

- Sept. 14—Maltese press censorship ordered (311).  
Sept. 26—Indian Legislative Assembly adjourns (310).  
Oct. 25—Parliament dissolved (307).  
Oct. 28—Union of East African Crown colonies denied (311).

### France

- Oct. 20—Senatorial elections indicate trend to the Left (312).  
Oct. 27—Edouard Herriot re-elected president of Radical Socialists (312).  
Oct. 31—Laval Ministry publishes new emergency decree (313).  
Nov. 4—Stavisky case brought into court (314).

### The Teutonic Countries

- Oct. 13—Winter Help Work Fund campaign begun in Germany (315).  
Oct. 17—Starhemberg gains power in Austrian Cabinet shuffle (243).  
Oct. 18—German student fraternities dissolved (315).  
Oct. 27—Swiss national elections (317).  
Oct. 28—Hitler repudiates neo-pagan movement (317).

### Italy and Spain

- Oct. 1—Spanish Cortes reassembles (318).  
Oct. 29—Meatless days decreed in Italy (281).  
Spanish Cabinet re-formed (318).  
Oct. 31—Anti-British demonstrations in Rome (281).

### Eastern Europe

- Oct. 10—Royalist coup d'état in Greece (319).  
Oct. 12—Koscialkowski becomes Polish Premier (320).  
Oct. 21—New Albanian Cabinet formed (322).  
Nov. 3—Greek plebiscite approves monarchist restoration (320).  
Nov. 5—Czechoslovak Cabinet shake-up (321).

### Northern Europe

- Oct. 14—German victory in Memel elections confirmed (323).  
Oct. 22—Socialists win in Danish elections (323).

### The Near and Middle East

- Oct. 3—Agreement to transfer British railways in Iraq to Iraqi Government announced.  
Nov. 12—Nationalist support withdrawn from Egyptian Government (328).

### The Far East

- Oct. 12—Japan accepts quota on cotton goods exported to Philippines.  
Oct. 13—Moscow protests to Japan on "border violations" (332).  
Oct. 31—Attempt made on life of Chinese Premier (330).  
Nov. 3—China abandons silver standard (329).

# The League Acts Against Italy

By ALLAN NEVINS

THE Ethiopian crisis combines many elements, presents many complications, but its most obvious aspects have been three in number: The rapid mobilization of the League to impose sanctions upon Italy; the three-cornered negotiations of France, Italy and Great Britain to settle the dispute before sanctions should go into force; and the war itself.

On Oct. 7 the Council of the League reached its unanimous verdict that "the Italian Government has resorted to war in disregard of its covenants under Article XII of the Covenant of the League." Already delegates to the Assembly were gathering in Geneva. On Oct. 9 that body opened its plenary session with a statement by its president, M. Benes, upon the international situation. It then took up the ratification of the Council's verdict. The debate, which lasted two days, showed (excluding Italy) an alignment of fifty-three nations against two. It brought from Premier Laval and Anthony Eden assurances that France and Great Britain would vigorously meet all obligations under the Covenant; and these assurances were echoed by many others, including—to Italy's dismay—representatives of the Little Entente.

The two nations that entered their dissent, Austria and Hungary, were the very nations that had received more important financial and political assistance from the League than any others. For Austria there was some justification. That little country must of necessity be a satellite of either

Germany or Italy, and the ruling clerical oligarchy deemed Italy the less dangerous. The Austrian leaders were doubtless also not without a shrewd thought for the economic benefits their impoverished nation might receive as the principal commercial channel between Germany and Italy.

For Hungary much less could be said. De Velics, her representative, stated that her economic position was peculiar, that having depended to a great extent upon exports to Italy, Hungary might face ruin if she lost this market. Doubtless he was sincere, but Hungary had another and more important motive. For years her opportunistic rulers have been fishing for both German and Italian aid in obtaining treaty revision. Devoid of principle, they are more anxious to insure Italy's continued support of their aims than to remember all that they owe the League.

In convicting Italy of having "resorted to war" the League Assembly brought into effect the pledge of all League members, embodied in the Covenant, to employ stringent economic measures against the offending power. Two questions at once arose: Since the Assembly is too large a body to act as a planning board, how should these collective measures be planned? What measures should be adopted, and in what order? By its skill and energy in finding answers to these questions the League made history.

To plan sanctions the Assembly on the night of Oct. 10 set up a Co-

ordinating Committee, representing all League members except Italy, Austria and Hungary. When Albania later joined the dissentients, she also was excluded. Once created, this committee became an independent body. M. Benes called it a "conference"; it is not a committee of the Assembly or the Council, and makes no report to them, but executes its own decisions.

Holding its first meeting on Oct. 11, the committee elected Senhor Vasconcelos of Portugal as chairman. It then appointed a sub-committee of seventeen members to formulate detailed plans, with the assistance of economic experts, and to lay them before the full committee. The nations represented on this body were Argentina, Belgium, Canada, Czechoslovakia, France, Great Britain, Greece, Holland, Poland, Portugal, Rumania, Spain, South Africa, Sweden, Switzerland, Turkey and the Soviet Union. Senhor Vasconcelos was chairman of the sub-committee also. That same afternoon it set to work on a program of sanctions.

A variety of economic steps were obviously open to the League. The first, of course, would be to raise the arms embargo upon Ethiopia while keeping it applied to Italy. On the afternoon of Oct. 11 the subcommittee decided to take this step, and that night the full committee unanimously endorsed it. All League members were called upon to prevent the export, re-export or transit of arms to Italy, and to annul all contracts in process of execution. In defining arms, the subcommittee, at Mr. Eden's suggestion, adopted the schedule of war materials drawn up by President Roosevelt, which falls into six categories and includes, besides all ordinary weapons, warships, aircraft and parts, poison

gas and flame-throwers. The full committee added explosives of all kinds to the list.

The subcommittee, enlarged to eighteen by the addition of a Mexican representative, then turned its attention to the second obvious step—the stoppage of all financial aid to Italy. On Oct. 14 the full committee adopted this "Proposal No. 2." The members agreed that from that very day League States would forbid to the Italian Government all loans, all banking or other credits, and any further execution by advance or overdraft of existing contracts to lend. A ban was also placed on all loans or banking credits to any public authority, any individual or any corporation in Italian territory, and all flotations of shares or bonds for corporations, persons or public authorities in Italy.

As was expected, Hungary and Austria filed reservations with respect to this measure. The Argentine delegate also unexpectedly raised a difficulty. Speaking of the large Italian element in his country, he said that the application of these financial measures might encounter obstacles in the Argentine Constitution. For the rest, assent was universal.

It was clear that these first two measures against Italy would, if taken alone, be totally ineffective. As for the arms embargo, Italy already had ample war material for a protracted campaign. Her armies were supplied with the most modern equipment; she had stores, and her munitions factories were running at full blast. Though arms shipments to Ethiopia at once began, it was perhaps too late for them to do that nation much good.

As for financial sanctions, they did not add much to decrees already registered by economic law. There was now not a nation in the world where

Italy could float a long-term loan, League or no League. Her 7 per cent bonds were selling in New York at 60 cents on the dollar. It was only with great difficulty that Italy, according to report, obtained limited short-term accommodations during the Summer in France. Mussolini had long since taken measures to carry through the war without foreign financial aid, and he hoped they would suffice.

The Coordinating Committee had therefore to think of more drastic steps. Of really severe economic sanctions, the first would be to prohibit the export to Italy of certain "key" materials, deprivation of which might cripple her efforts. The second would be to kill most of Italy's export trade by binding all League members not to purchase goods from her. The third, if other means failed, would be to impose a League blockade upon Italy, but as Mussolini had said that this would mean war, it would naturally be postponed to the very last.

At a meeting of the subcommittee on Oct. 12, Mr. Eden proposed an embargo on exports. He argued that, if the crisis were allowed to drag on, Mussolini might overrun much of Ethiopia, that world trade would be increasingly disorganized and world recovery retarded, that ill feeling between Italy and the chief League powers might rise to a point where collision was unescapable. He said, in effect, that a stoppage of all purchases from Italy would bring that nation to a more reasonable frame of mind in short order. To supplement this embargo on Italian exports, he would cut off the shipment of raw materials and other key products to Italy.

But this was moving too fast for France and other nations. The French representative, M. Coulondre, pleaded for delay. Doubtless one of his objects

was to obtain time in which Premier Laval might make another attempt at peace by mediation. The subcommittee therefore decided to consider the stoppage of shipments of key materials to Italy first, and to postpone till later the more "swift and effective" boycott of Italian exports proposed by Mr. Eden.

The subcommittee therefore reported on Oct. 19 a measure to deprive Italy of some of the raw materials of warfare. A comprehensive list of these materials was drawn up. It included rubber, nitrates and nitric acid, machine tools, iron ore, nickel, magnesium, aluminum and bauxite, chromium and ferro-manganese. The Coordinating Committee, after an interesting debate, at once adopted the measure, though it postponed application of it to a date to be fixed later.

Even while this step was being taken it was evident that it would not count for much. A number of vital materials—iron, petroleum, cotton—had to be omitted from the list because they could be supplied in unlimited quantities by Germany and the United States. Though rubber was included, Brazil, which is outside the League, could furnish considerable amounts of it. Salvador de Madariaga announced that Spain might not consent to an embargo on iron ore, inasmuch as iron itself was not on the list. Hungary and Austria again raised objections, while the Chilean and Peruvian delegates reserved the final decision of their governments. Bankrupt Chile could not well forego any market for nitrates.

Even if the stoppage of shipments of raw materials to Italy had, by special agreements with Germany, the United States and Brazil, been made fairly water-tight, it was doubted whether it would have had much effect on Italy's course. Mussolini had



already done much to make Italy self-sustaining. There was some evidence that he had accumulated stocks of needed materials; it was known that Italian importations of metals, coal, petroleum and so on had long been above normal, though there were no precise data as to consumption. News dispatches from Italy emphasized the adoption of substitutes. One recalled what wonders Germany accomplished during the World War in doing without important raw materials, and the problem of controlling leaks would be far more difficult now than then.

It was therefore strictly necessary for the Coordinating Committee to move forward immediately to the one measure that Mr. Eden believed "swift and effective." On Oct. 19 it took the momentous step of approving the prohibition of imports of all Italian goods. So far as the League could accomplish it, the markets of the globe would be closed to Italian wares. The British delegates had regarded this as the simplest and easiest of all sanctions, requiring little debate. But it was decided that the Coordinating Committee should meet on Oct. 31 to fix the moment when it should become effective. They did so, deciding that on Nov. 18 the refusal to buy from Italy and the refusal to sell her key materials should both become effective.

British economic experts hold with Mr. Eden that this stoppage of Italian sales in world markets is the one League measure that can bring Mussolini to terms. Italy is already a poor nation; she cannot long dispense with her normal markets without intense suffering. The principal Italian exports, taken in order according to the statistics of 1934, are rayon goods, cotton goods, citrus fruit, woolen goods, dried fruits, cheese, wine and

spirits. The sales of these goods are widely distributed over the world. With one exception, no one country takes a huge proportion of any of them; the exception is Germany, which last year bought nearly two-fifths of the citrus and dried fruits. In short, Italian goods are not essential to other nations. Their sales are, however, essential to Italian solvency.

To cut off "all goods consigned from or grown, produced, or manufactured in Italy or Italian possessions" (so runs the League formula) will deprive the Italians of much the greater part of their foreign trade. They can still sell to Germany, Austria, Hungary and the United States. But these countries will probably take less than their usual quotas, not more; and with them Italy has long had an unfavorable balance of trade.

Thus by combining the stoppage of most Italian exports with the stoppage of Italian imports of various key commodities, the League beginning on Nov. 18 could strike a heavy blow at Italy's whole economic life. Its effect in the first month or two may not be great; in six months or a year it might convert Italy into a seething caldron of revolution. And it now begins to appear that Ethiopia can prolong the war until the Spring rains, which means prolonging it for an entire year.

For another reason Mussolini may well dread the effect of any prolonged stoppage of Italian exports. Nature abhors a vacuum. The markets that formerly bought Italian goods would quickly find substitutes from other lands. The few remaining friends of Italy in the League, therefore, hesitated in applying the final and most drastic of the sanctions. We say final, but it is not impossible that a blockade would be considered if this failed.

In the press room of the League headquarters at Geneva, as November opened, officials had placed a bulletin board on which were listed the fifty or more member nations, with columns to indicate the positions of each on the various sanctions: (1) The arms embargo; (2) the prohibition of financial aid; (3) the embargo on shipments of key materials to Italy, and (4) the boycott of Italian goods. As each government indicated its formal acceptance of the measure, ratifying its delegate's vote, an "X" was placed in the appropriate column. At the outset only the first column was well filled, but by the end of the first week in November the board was dotted thickly with "X's" in all columns.

While the League was thus demonstrating that it would not confine itself to mild and ineffective measures, M. Laval was making an earnest effort at mediation, but up to the end of the first week in November he had achieved nothing. Some observers believed that with the British general elections scheduled for Nov. 14, and the imposition of the sterner sanctions for Nov. 18, a compromise might be reached soon after these dates. But this was mere surmise and could not be confidently predicted.

After the French delegate, M. Coulondre, succeeded on Oct. 12 in postponing action upon Mr. Eden's demand for "swift and effective" sanctions, M. Laval again approached Premier Mussolini. Between that date and Oct. 20, when Laval left for a rest at Clérmont-Ferrand, he seems to have obtained a general statement of terms from Mussolini. Both Rome and Paris dispatches stated that Mussolini expressed willingness to resume negotiations on the basis of his old idea of a partition of Ethiopia into two zones—a central or Amharic zone and

a zone of border Provinces. Italy would, of course, dominate the latter. Such a complete dismemberment of Ethiopia would be totally unacceptable to Haile Selassie, to Great Britain or to the small nations which are most devoted to League principles. The effort at a settlement therefore came to nothing.

Meanwhile the world was deeply interested in the growing tension between Italy and Great Britain which, until suddenly broken on Oct. 18 by the call of Sir Eric Drummond, the British Ambassador, upon Mussolini, seemed to hold the direst possibilities. The press may or may not have exaggerated the gravity of the situation between Oct. 12 and Oct. 18. But Italy had gathered a formidable army in Libya, placed by British reports at 75,000, and had moved a large part of it to positions that threatened Egypt. British reinforcements had been hurried to Egypt, and on Oct. 11 a joint parade of British and Egyptian troops in Alexandria served notice that the two governments had arranged for military cooperation. The British fleet, with reinforcements still reaching Suez from Far Eastern waters, was ready to repulse any sudden Italian attempt to seize the canal. Preparations made for a naval war by the commanders at Gibraltar, Malta, Alexandria and Haifa had been answered by similar preparations in Italian ports. Dispatches from half a dozen European capitals were warning the world that grave danger of war existed.

These dispatches probably overstated the peril. The British and French press during these days avoided the alarmist tone of many American headlines. Nevertheless, much relief was felt all over Europe when it was known that Sir Eric Drummond had conversed for more than an hour

*Who Owns the World's Colonies?*

HOME COUNTRY	COLONIES, PROTECTORATES, MANDATES, ETC.			
	Square Miles	Population	Square Miles	Population
United Kingdom . . . .	94,000	46,000,000	*5,800,000	*424,000,000
British Dominions† . .	3,550,000	17,000,000	500,000	1,200,000
France . . . . .	213,000	42,000,000	4,740,000	63,000,000
Belgium . . . . .	12,000	8,000,000	940,000	13,000,000
Portugal . . . . .	35,000	7,000,000	936,000	8,500,000
Italy . . . . .	120,000	42,000,000	870,000	2,500,000
Netherlands . . . . .	13,000	8,000,000	790,000	61,000,000
The United States . . .	3,000,000	127,000,000	712,000	14,000,000
Japan . . . . .	149,000	70,000,000	§575,000	§57,000,000
Spain . . . . .	190,000	29,000,000	140,000	900,000
Germany . . . . .	186,000	66,000,000	‡ . . . .	‡ . . . .

\*Includes Egypt.

†Includes only Dominions having colonies and mandates.

§Includes Manchukuo.

‡Colonial losses in World War: 800,000 square miles and 5,500,000 population.

with Mussolini. The first reports were that, thanks to simultaneous efforts made by M. Laval, Italy would withdraw a large part of her force from Libya while Great Britain withdrew several capital ships from the Mediterranean.

These reports proved misleading. A meeting of the British Cabinet agreed that there could be no thought of reducing the strength of the fleet in the Mediterranean while the Italian press continued its violent attacks upon Great Britain and while French naval cooperation remained indefinite. One capital ship was sent home, but only to be replaced by a sister vessel. As for Italy, the early statements that an entire division had been ordered home from Libya were not confirmed. On Nov. 6 the British Government let it be known that it was uncertain whether more than 3,000 men—an Italian division is 20,000—had been removed. But Oct. 18 had nevertheless brought a distinct and reassuring drop in the European temperature.

Both Prime Minister Baldwin and Sir Samuel Hoare, in debates in the House of Commons during the next few days, did their utmost to improve British relations with Italy. Sir Samuel on Oct. 22 repeated that Britain had never thought for a moment of naval or military sanctions against Italy. He recalled that he had been the first man outside Italy to recognize the Italian case for expansion, that he had striven for a settlement satisfactory to all three parties—to Italy, Ethiopia and the League. Might not an eleventh-hour settlement, he asked, yet avert economic action against a fellow member of the League, an old friend and former ally?

Mr. Baldwin on Oct. 23 spoke in the same mild terms. Like his colleague, he said emphatically that any settlement must be fair and right to all three parties—to Italy as well as to the others. Unfortunately, Italian distrust of Great Britain cannot be removed by any number of assurances

that the conflict is only between Italy and the League. To Italians the League just now means Britain—a woeful misconception.

The worst feature of Anglo-Italian relations is the continued encouragement which the Italian press gives to this misconception, and its continued abuse of the British Government. The press is controlled and inspired by Mussolini. Nor can it be forgotten that the disgraceful anti-British riots in Rome as November opened followed hard upon a defiant and provocative speech by Mussolini. It is difficult to understand what he means by such a course, or by keeping the prodigious total of 1,200,000 men under arms in Italy and the colonies.

One of the happiest developments of the month has been the achievement of a complete understanding between Great Britain and France, for in the last analysis European peace stands or falls by the harmony or disharmony of these two nations. From the beginning of the Ethiopian imbroglio the British Government has been distrustful of M. Laval's willingness to give full support to the League. A vital article of the Covenant—Article XVI—states that member nations will "mutually support one another in resisting any special measures aimed at one of their number by the Covenant-breaking State." This article was specially reaffirmed by the League Assembly on Oct. 14. But Great Britain remained doubtful. If an "incident" suddenly occurred in the Mediterranean, if Italian ships attacked British ships, would France give the required support? Direct inquiries were addressed to the Laval government. While Britain waited for

an answer impatience and irritation were expressed in some British circles.

On Oct. 18 the French Foreign Office handed the British Ambassador a 2,000-word reply. The two capitals, in a joint communiqué, summed it up as "a plain affirmative to the question put to His Majesty's government." M. Laval's eight typewritten pages were needed, it was said, to set forth certain historical and explanatory views. He is understood to have declared that while the sending of the British home fleet to the Mediterranean could not be considered as a League sanction, nevertheless, since Mussolini had accepted its presence there before sanctions were voted, any act of aggression against it would now bring Article XVI into force. And after expounding the obligations of this article, he gave an unconditional assent to the British request. The solidarity of the two nations was thus completely re-established.

The practical importance of the French reply was evident. If the Italian Government attacked the British fleet or naval bases, French harbors would immediately be thrown open to the British Navy, and French warships would go to its assistance. It is understood that representatives of the French and British naval staffs have already conferred upon the best means of effective cooperation.

The French note may also have value as a precedent long after this crisis ends, for M. Laval is understood to have stated very precisely the reciprocal obligations to which the French Government will consider the British Government bound in future emergencies.



# Wartime Italy

By WILLIAM E. LINGELBACH

ITALY on Oct. 3 was at war. In distant Ethiopia the Duce's army had begun the advance that on Oct. 5 led to the capture of Adowa. Amid the popular rejoicing over the successful beginning of the war, there were not a few minds troubled by the dangers involved in the African venture. There was growing anxiety over the possible effect of the sanctions to be applied by the League of Nations and a rising anti-British sentiment.

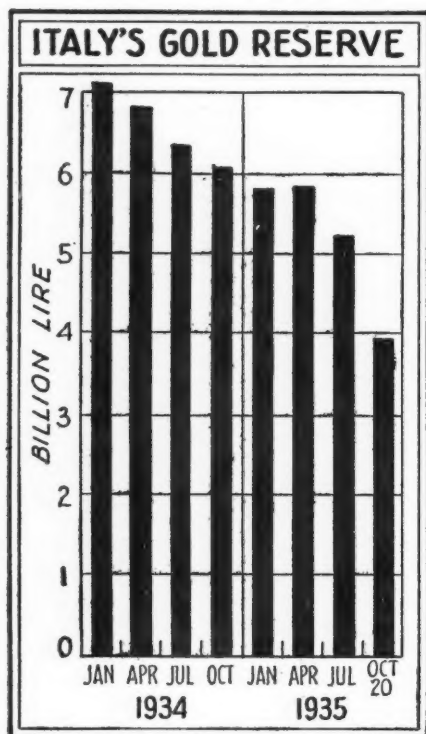
The bitterness against Great Britain boiled over on Oct. 31 after an impassioned speech by Mussolini at the University of Rome. He denounced the proposed "economic siege" as a disgrace to civilization which Italy would resist with "indomitable will and supreme contempt." Following the speech, hundreds of students and Fascist youths milled through the streets demonstrating against English shops and restaurants. When the removal of all English signs and names was demanded, the management of the Hotel Inghilterra promised to change its name to Hotel d'Italia. Stones were thrown at the British Embassy, and the government hastily strengthened the guard. Although officially disapproving of the affair, Mussolini further showed his resentment toward Great Britain by the exclusion from Italy of the London *Daily Telegraph*, the reputed mouthpiece of Anthony Eden, for aspersions upon Italian policy and assertions that forty nations of the League were at war with Italy.

In the face of the threat of economic sanctions, Professor Guarnieri, Italy's

economic dictator, set up a threefold program of organization and retrenchment. It involves drastic reduction of imports, except of essential raw materials; the mobilization of all foreign credit and the husbanding and pooling of the nation's economic resources. To this must be added the new taxes and limitations on dividend payments by industrial corporations, munitions plants, and so forth. By way of conserving and maintaining food, coal and other articles of consumption, drastic economies have been planned.

Orders were issued on Oct. 29 curtailing the use of certain foods. For six months, beginning on Nov. 5, there were to be two meatless days a week. Hotels and restaurants were to serve only one meat dish—beef, mutton or pork—at each meal, and were instructed to encourage the eating of fish, poultry and game. A house-to-house inventory of food stocks was ordered. Mussolini, with rare insight, committed the detailed enforcement of these measures to war mothers and war widows. Incidentally, too, women were mobilized for many other needs and urged to forego the use of foreign luxury articles of every kind.

Addressing Italian Fascists on the thirteenth anniversary of the March on Rome, Mussolini called on the "Black Shirts of all Italy" to organize a "furious defense" against "the threat of economic siege which history will brand as an absurd crime destined to spread disorder and misery among the nations." The enormous



supplies of raw materials, munitions, oil, gasoline, steel, copper, and so forth, stored in anticipation of war, were being increased daily. For the first half of the present year coal imports increased over those of previous years by 1,529,500 tons, or nearly 30 per cent; steel by 24 per cent, gasoline by 25 per cent and copper by 40 per cent over 1933.

Revelations in the French Leftist press of the export of carloads of copper, armored cars and of airplane equipment across the frontier into Italy near Modane caused Premier Laval not a little embarrassment. Coal from the Netherlands and Sweden was being routed through Germany, the Germans accepting small cash payments and Italian holdings of Austrian bonds for the balance. Imports during the year from the United States have been enormous, statistics

showing that Italian purchases of cotton waste, steel, scrap iron and copper mounted rapidly during the Summer and Autumn months. Trade returns for October indicated that imports into Italy of essential raw materials more than doubled during the month. A new commercial treaty with Spain, which was signed on Oct. 5, was expected to stimulate trade with that country.

As a result of these measures for preparedness, Italian experts believed that Italy could carry on for a long time, even though sanctions should be vigorously applied. They asserted besides that the flow of imports could be maintained in defiance of the sanctions through a network of special trade channels which would, it was expected, largely circumvent the embargo on importations. Half a dozen countries—Germany, Austria, Hungary, Japan, Argentina and Chile—whose trade is of strategic importance to Italy's economic needs, were not parties to the use of sanctions. On the other hand, the drain on the nation's meager economic resources was very heavy, and the gold reserve, already depleted, dwindled rapidly under the necessity of paying cash for the essential raw materials which the government feverishly piled up.

The Bank of Italy, according to its statement on Oct. 29, sustained a loss of 89,000,000 lire in gold and 34,000,000 lire in foreign exchange between Oct. 10 and Oct. 20, or about \$11,000,000. The loss during ten days of October was 226,000,000 lire. Against the bank note circulation of 15,271,000,000 lire, the statement reported a gold reserve of 3,936,000,000, which, with 379,000,000 in foreign exchange approximated \$600,000,000. The gold coverage was thus reduced to about 28 per cent and the reserves were melting away at the rate of 500,000,-

000 lire a month, or \$2,000,000 a day. In contrast with Italy's gold supply, \$400,000,000, France had over \$4,000,000,000, Great Britain more than \$1,500,000,000 and the United States \$9,500,000,000.

Industrial plants were working overtime and many were being enlarged, especially factories engaged in build-

ing tanks, airplanes and machine guns. The number of unemployed had declined 28 per cent since July 31, from 742,312 to 536,566, while the cost of living, although rising steadily, was still, according to the Italian Commercial Attaché at Washington, very much below what it was when the lira was stabilized in 1927.

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## The War in Ethiopia

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By AVERY J. COOPER\*

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**I**N any discussion of military operations in Ethiopia it is necessary to open with a brief description of the area.

Ethiopia lies in the east central part of Africa. It has an area of about 400,000 square miles. It consists in general of two main high plateaus, between which, running generally northeast and southwest, is a great swale or low area. This swale follows generally along the Awash River and the lake region southwest of Addis Ababa to Lake Rudolph. The area just west of French Somaliland, called Danakil, is a desert. The French owned and operated railroad from Jibuti to Addis Ababa skirts the southern edge of this desert.

The northwestern plateau is very extrusive, from Adowa to Lake Rudolph, abrupt and almost inaccessible on the east, with an average elevation of about 6,500 feet. The southeastern plateau, on the other hand, is very abrupt inland and slopes toward

the Italian Somaliland border. It has an elevation from 6,500 to 10,000 feet. Much of this plateau is uninhabited except for nomadic groups during the "little rains" season in the Winter. The climate is essentially tropical in all the lowlands, but temperate zone temperatures prevail on the northwestern plateau. The rainy season usually runs from June until September, but may extend a month or more either way.

Means of communication are limited. In addition to the one railroad, there are about 500 miles of improved trails which permit all-year motor traffic, and certain new roads. At least some, and probably all, of the new roads were built either by the Italians themselves or with their influence and financial backing.

Ethiopia's so-called regular army numbers about 100,000 men, but early this year there were only about 100 machine guns and automatic rifles in the country. There were also some 200 pieces of artillery of various sizes, makes and kinds with an unknown but certainly meager amount of ammunition. As importations of arms and ammunition were legal only with the con-

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\*Colonel Cooper is a Director at the Army War College, Fort Humphreys, D. C. This article in no way represents the views of the War Department. The opinions expressed are those of the author.

sent of France, England and Italy, and as France controls the railroad and Italy and England are between Ethiopia and the sea elsewhere, it seems safe to say that the arms situation has not been improved to any appreciable extent. There are no local facilities for either arms or ammunition manufacture.

So much for the general description of the country. We now turn to the military, or, if you will, the military-political phase of the present disturbance.

In military parlance, if some one, or some organization, is going to war, there must be a mission or missions—to defeat the enemy's army and collect indemnity, to capture his army and part of his territory in order to sue for a favorable peace, or to seize part or all of the enemy's territory. Usually there is a well-defined mission so far as the forces in the field are concerned. The secondary political idea is not always so well defined. The military mission in Ethiopia seems to be to connect the two Italian-controlled areas of Eritrea and Italian Somaliland by Italian-controlled or owned land, besides wiping out the stain of an Italian defeat at the hands of the Ethiopians at Adowa in 1896. True, Ethiopia has some minerals which Italy needs; there is also probably some oil. But parts of Eritrea, which Italy has owned since 1890, are as yet undeveloped. Colonization does not seem to be the answer, for after forty-five years there are only about 4,000 Italians in Eritrea.

We will assume, then, that the military mission of the Italian northern army is, after capturing Adowa and Aksum and thus wiping out the stain of the defeat of 1896, to penetrate southward until a favorable peace is assured or until a meeting is formed with the Italian southern army.

The mission of the southern army is to penetrate the enemy territory in two columns, one up the Webbe Shibli, the other up the Webbe Mana, to interrupt the railroad at Diredawa and Hadama (in order to control the supplies into Ethiopia) and to continue north until contact is made with the northern army or until a suitable peace is effected.

From a military point of view, there was at the time this was written very little of interest in the actual fighting, which had been a one-sided affair. This does not mean that the war is over or that it can be quickly won by Italy, for nature is the major element in the Ethiopian defense. The Italians could not start operations until the rainy season had ended. The Ethiopian terrain and the lack of sufficient water and available roads were and are serious handicaps. Even with their modern and scientific equipment the Italians required about a year to get into position for the invasion.

The Italian method of operation has been simple and direct though very slow. In the north native troops led all attacks, which were preceded by airplane operations and supporting artillery fire, so that the attacks became merely a march to a specific objective. When the native troops reached the objective they halted and received the surrendering enemy while the Italian troops consolidated the seized area. This consolidation consisted primarily of road construction and adequate water provision in order that the next advance might be made, but involved also the propagandizing of not only the captured area but also the area toward the next few limited objectives. The method was slow but it had the effect of reducing Italian casualties to a minimum.

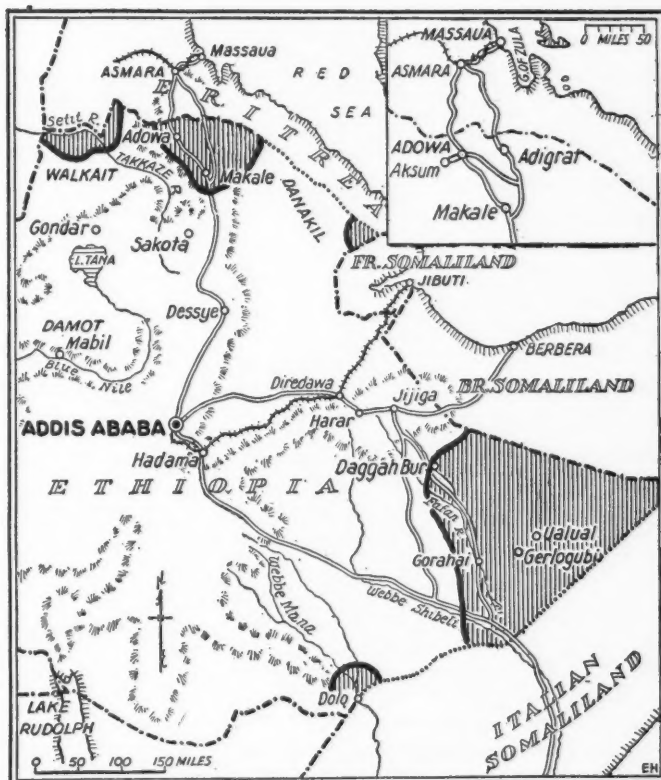
Inasmuch as the Ethiopians had no roads and depended upon foot, camel



or horse transportation, Italian lines of communication were fairly secure. A few armored cars at strategic points could protect the roads with little trouble. All that the air service had to do was to prevent unknown enemy concentrations within one night's march (for the Ethiopians) of the line of communications. With the airplanes to spot all concentrations of the Ethiopian Army within a day's march of the line of communications, it was a simple matter for the armored cars to concentrate at the threatened point and await any attack—a matter of minutes for the armored cars on the newly constructed roads and a matter of hours for the attacking nomadic army.

It is reliably reported that the Italian troops began operations by crossing the border north of Adigrat on Sept. 25. On Oct. 4 they were over the Mareb River and advanced upon Adowa, Adigrat and Aksum, while the air corps was bombing all concentrations of Ethiopians in that area. In the south they were reported to have bombed Harar and engaged Ethiopian troops north of Ualual. The Ethiopians seemed to be concentrating near Gondar, Dessye and north of Ualual and Dolo in the south.

On Oct. 5, 12,000 Ethiopians were



Shaded areas indicate extent of Italian penetration into Ethiopia up to Nov. 10

said to have entered Eritrea near Sitona, west of Aksum. This is doubtful, as later events indicate that their commander was not there at that time. The Italian advance, meanwhile, in three columns, had taken Adigrat and Adowa without resistance. The centre column seems to have been held up in its attack on Maibaria, between Adowa and Aksum, presumably by lack of roads and water. The advance in the south continued on a broad front from Dolo to east of Ualual.

On Oct. 7 the church city of Aksum was reported as the next Italian objective. This city was carefully omitted from all Italian bombing missions. In the southern sector Gerlogubi was captured. A few French troops went to Diredawa to guard the railroad.

About this time Ethiopian concentrations were ordered as follows: Sakota area, 80,000; Walkait, 40,000 (this force is believed to have been mobilized for some time); Mabil area, 40,000; Dessye area, 30,000; Addis Ababa, 200,000. Some of these forces were over 200 miles distant from the enemy. In addition about 85,000 were opposing the attack in the south.

The next event of importance was the fall of Aksum on Oct. 11 and the completion of the road net Adigrat-Adowa-Aksum. Intermittent bombing by Italian planes continued. On Oct. 12 an Ethiopian chief and his army of 10,000 men were reported to have surrendered at Aksum. A week later the auto road to Aksum was reported completed. The Italian casualty report for northern operations up to this point was as follows: Killed—one Italian officer, five white soldiers, twenty-three native soldiers; wounded—a total of seventy. This indicated the almost total absence of combat resistance.

On Oct. 28 the Ethiopians were said to have attempted to cross the Setit River, in the northwest along the Sudan border. This move seems to have failed, because on Nov. 1 it was reported that the Italians had crossed the same river and had dispersed the Ethiopians in the neighborhood.

On Nov. 4 the northern army started towards Makale. This movement seems to have been in three columns. It will be noted that the last advance in this area was on Oct. 11, when Aksum was taken—in other words, an advance of a few days and a construction period of three weeks. On Nov. 8 Makale fell.

On the southern front there was practically no advance for about four weeks; merely backing and filling, ex-

tending to the right, extending to the left, then a short advance and then a withdrawal. These minor forays have not been specifically mentioned as they appeared to be only feints for the purpose of holding a large part of the Ethiopian Army in the neighborhood. By Nov. 10, however, Italian forces had penetrated toward Central Ethiopia as far as Daggah Bur, and a spirited drive for the important city of Harar had begun.

No further information was available at the time this article was written. The capture of Makale should have little effect on the situation as a whole, for neither the town nor the road net (if a cart road and a caravan route can be called a road net) are of particular importance. The Italians will probably devote several weeks to consolidation at this point.

It is interesting to note the effectiveness of the propaganda put out by the invaders as they move. Natives were said to be welcoming the Italians and offering produce of all sorts for sale. Even the monks, it is reported, have offered formal acts of submission. The inhabitants of the area are masters of deception, however, and how sincere they are in their welcome remains to be seen.

From all reports this is a logistic rather than a tactical war—that is, it is one of supply and transportation rather than one of tactical operations. The Italian advance is no faster than, perhaps not as fast as, the invasion of forty years ago. The reason for this may be caution born of the disaster that befell the earlier expedition, the difficulty in maintaining supplies for a motorized army, or a desire on the part of the Italians to placate the population and to colonize as the advance progresses.

# Britain's Hold on the Suez Canal

By ROBERT L. BAKER

THE Suez Canal, besides being notable as an engineering achievement and the world's greatest artificial waterway, is a tremendously important strategic factor in international relations. While it has often been called the "jugular vein" of the British Empire, the present Italo-Ethiopian war shows that it is also the jugular vein of Italy's East African empire. If the canal were closed the forces now invading Ethiopia would be left in a perilous position, and Mussolini's attempt at conquest would undoubtedly collapse very soon.

Soon after the Council of the League of Nations condemned Italy as the aggressor against Ethiopia a strong agitation arose in Great Britain for the closing of the Suez Canal or for action that would have the same effect. Behind this agitation were the League of Nations Union and pro-League newspapers. One of the latter, the London *New-Chronicle*, predicted editorially that economic and financial sanctions would prove so ineffective against Italy that the League powers would be forced to consider the advisability of closing the canal. Lord Cecil, president of the Union, suggested more broadly "the cutting off of all communications between Italy and Ethiopia, and perhaps, in the last resort, the enforcement of some kind of blockade on Italy."

Various questions are involved by the international status of the Suez Canal. Among the most important are these: Who owns the canal? Can Great Britain, acting either alone or as executor of a League of Nations

sanction, legally close or blockade the canal? Can the League of Nations legally override the Convention of Constantinople, by which the European powers guaranteed the freedom of passage to all countries through the canal in war as in peace?

As to ownership, the Suez Canal runs across the territory of Egypt, which is nominally an independent sovereign State, to whom all rights in the canal are to revert in 1968 unless the concession granted to de Lesseps in 1854 should be renewed. The canal is operated and controlled by the *Compagnie Universelle du Canal Maritime de Suez*, a private Egyptian joint-stock company with its headquarters in Paris. Of its thirty-two directors twenty-one are French. Great Britain has for more than fifty years assumed the exclusive right to defend the canal. While chiefly concerned with keeping communications open with the empire in the East, the British Government has a direct economic interest in the Suez Canal Company because it holds 44 per cent of its stock. As defender of the canal, Great Britain maintains garrisons at two points, Ismailia and Port Said, in addition to the main British force in Egypt at Cairo.

The status of the canal in international law is largely determined by the Convention of Constantinople, which was signed on Oct. 29, 1888, by Great Britain, Austria-Hungary, France, Germany, Italy, the Netherlands, Russia, Spain and Turkey. Article I provides that "the Suez Maritime Canal shall always be free and

open, in time of war as in time of peace, to every vessel of commerce or of war, without distinction of flag.

\* \* \* The canal shall never be subjected to the exercise of the right of blockade." The Khedive's right to defend the canal was recognized, and he was to call upon the Sultan, at that time his suzerain, for further aid. Should the defense be beyond the means of both Khedive and Sultan, they were to concert measures with the signatory powers.

Strict rules were laid down in the convention prohibiting the revictualing and refueling of belligerent warships in the canal, and requiring their speedy passage and departure. Hostilities were forbidden and the right of sanctuary to the vessels of a belligerent was denied.

Great Britain was nowhere specially named in the convention and owes her monopoly in regard to the defense of the canal to other circumstances. She occupied Egypt in 1882, ostensibly to help the Khedive to protect the canal and put down the revolt of Arabi Pasha. The occupation continued till 1914, when she declared a protectorate over Egypt. The peace treaties, which revalidated the signatures of the defeated powers to the Convention of Constantinople, also recognized Great Britain's assumption of the Sultan's rights as set forth in the convention. In 1922, Great Britain terminated the protectorate and declared Egypt "an independent sovereign State," but reserved to herself all questions affecting the defense of Egypt and the canal.

At the present time, therefore, Great Britain's status in regard to the Suez Canal is based on her relationship to Egypt, a relationship that is legally obscure, but is in fact a thinly disguised protectorate. Sir Arnold Wilson, an authority on British im-

perial interests in the Near and Middle East, declares that the relationship "differs but little from that of the United States in the case of the Panama Canal, though in practice it is so unobtrusive as to be unobservable in time of peace."

The canal has been closed for short periods by Great Britain on two occasions, in 1882 and in 1915, and in both instances she was herself a belligerent defending her own vital line of communications against attack. Early in the World War the rule against sanctuary was applied to a number of German and Austrian ships. After their allotted time had elapsed Egyptian gunboats escorted them beyond the three-mile limit, where they were pounced upon by British warships.

A notable test of the Convention of Constantinople occurred in 1904, when a part of the Russian Baltic Fleet was permitted to pass through the canal on its way to the Far East to engage Japan, then Britain's ally. Although a Russian warship flagrantly violated the rule against coal-ing, no penalties were imposed.

It appears, then, that the Convention of Constantinople guaranteeing the freedom of navigation in the canal even to belligerents, is operative, and that even if Great Britain were the hostile power she could not legally close the canal to enemy ships or seize them in the canal waters. At the present time, while Italy may be technically at war with all the members of the League, a state of war certainly does not exist, and she may continue to use the canal under the terms of the Convention as long as she abides by its rules.

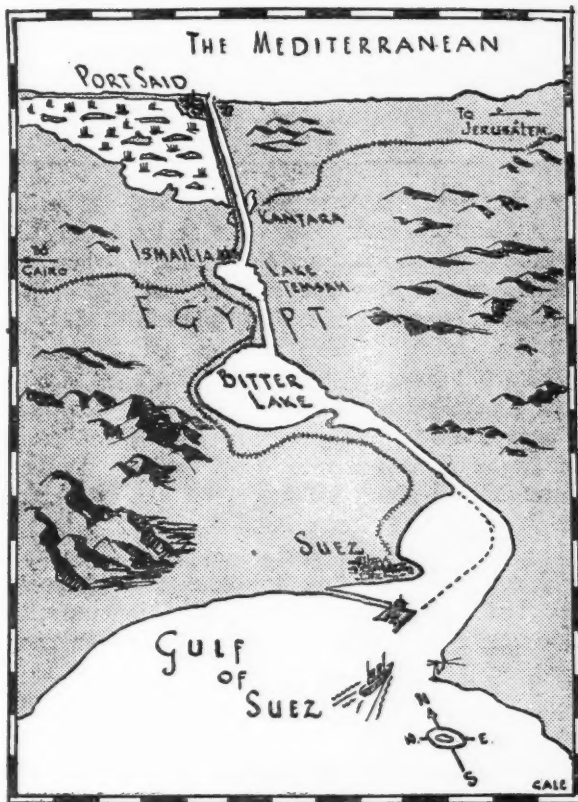
Since Great Britain has declared that she will not act alone, but only according to League procedure, a method of legally closing the Suez Canal to Italy would have to be



worked out at Geneva. As the validity of the Convention of Constantinople was recognized in the Treaty of Versailles it is doubtful whether the League possesses the right to denounce the convention on the ground that it is "incompatible" with the Covenant of the League, which is likewise a part of the Treaty of Versailles.

According to expert opinion the only legitimate alternative to the arbitrary closing or blockading of the Suez Canal by Great Britain alone or acting under League sanction would be the invocation of Article XIX of the Covenant, which provides that "the Assembly may from time to time advise the reconsideration by members of the League of treaties which have become inapplicable." While the Convention of Constantinople could no doubt be revised in this way so as to permit the closing of the canal to a nation found guilty by the League of aggression, the process might be too slow to be of use against Italy. Nor is there much chance of its being adopted because France and the Little Entente have no desire to refurbish Article XIX or set a precedent for treaty revision in Europe.

The agitation in Great Britain to close the Suez Canal appears to have been born of the hope that Italy might thus be brought, by peaceful means, to abandon her conquest of Ethiopia. But there is no assurance that Italy would passively accept the severing of her lifeline to East Africa.



The Suez Canal

Apart from the application of military sanctions by the League against Italy, the only means of severing her communications with East Africa would be for Great Britain to blockade or close the Suez Canal to Italy on the rather remote ground of defending Egypt's interests. Even if war did not result, it has been suggested that Italy might appeal to the World Court under the optional clause to determine Great Britain's legal status in Egypt, the validity of the Convention of Constantinople, to which Egypt is not a signatory, and a number of other questions that Great Britain prefers to leave in their present somewhat confused and tangled state.

# Keeping America Out of War

By CHARLES A. BEARD

DURING the late Autumn the chief series of occurrences lay in the domain of ideas rather than action—in the realm of theory rather than practice. In the formulas and phrases of the nation's public mentors and advisers, to be sure, nothing novel appeared. Daily events were selected and "interpreted" according to the customary and well-known maxims consecrated by years of usage on the Right and the Left. Perhaps the very climax in that sort of thinking was reached in Salt Lake City at a convention of Republican leaders, when John Brown defined "a fighting Republican party": "It must not be liberal, not conservative, not radical, not stand-pat, but Republican." Even in the defense of Federal financing, no Democrat rose to this pinnacle of finality.

But outside the circle of professional ritualists and expounders, something new seemed to be happening in the thought of the American people. It was the growing recognition of the fact that a Fascist dictatorship in itself really means war and that war, as a foreign affair, is a manifestation of interests and resolves in the sphere of domestic economy. As a collateral, came a dawning realization that pious aspirations do not guarantee peace, that the preservation of peace demands alterations in domestic ideals and practices.

A number of events conspired to awaken interest in the price of peace. First and foremost was the development of Mussolini's war in Ethiopia, accompanied by diplomatic negotia-

tions among European powers and the unfolding of American policy. The publication of Harold Nicolson's *Dwight Morrow* helped. More especially did Robert Lansing's *War Memoirs* display the anatomy and morphology of economy and diplomacy. Continued discussion of the revelations made by the Senate Munitions Committee added to the clarification of opinion. News from the provinces that members of Congress on vacation were coming back in January resolved to tighten neutrality control indicated straws in the wind. Efforts of exporters to break through President Roosevelt's neutrality proclamation and warnings served to illuminate the nature of profits and war.

When Secretary Roper assured exporters that trade with warring countries was, after all, quite proper, Secretary Hull countered by renewing the warnings. He also added: "I repeat that our objective is to keep this country out of war." Later in the same week President Roosevelt reinforced the State Department by declaring: "I have pledged myself to do my part in keeping America free of those entanglements that move us along the road to war." Yet early in November Secretary Roper could rejoice in an enormous increase in the export of cotton, oil and other products to Italy.

An analysis of types of opinion, however, showed deep-seated divisions. A multitude of clippings from various sources reflected a firm resolve to stay out of war in the old isolationist spirit of 1915 represented by W. J. Bryan and Claude Kitchin.

With this resolve went a deep distrust of official promises and all efforts "to help Europe." Was not Woodrow Wilson pledged in 1916 to keep us out of war? From many directions came this query. Were not President Wilson, Secretary Lansing and Colonel House even then negotiating and planning to put the United States into the war "when public opinion was ready"? From stray statements by members of Congress came evidences that efforts will be renewed in the next session to make the Neutrality Law broader in scope, rigid in enforcement and absolutely mandatory on the Executive—on the constitutional theory that Congress, not the President, has the power to declare war.

Less strident, but vocal, were those advocates of peace who preferred to use diplomacy and pressure to prevent war in Europe, on the theory that the United States "simply cannot stay out of it when it comes." Leaders of this school, as a rule, deplored mandatory neutrality and advocated giving the President power to throw the weight of the country "on the side of peace in Europe," to choose between the "good" powers and the "bad," and to support collective sanctions applied to "aggressors." This is the school that would employ the risk of war to prevent war or end war. Though greeted by skepticism and irony on the Left, it stuck by its thesis in its efforts to shape public policy, and received aid and comfort from Secretary Hull in various statements, carefully and cautiously worded as they were.

Beyond doubt Secretary Hull was eager to do something to help keep peace in Europe, and in this connection was subjected to the influence of a third type of opinion. Supporting evidence for this conclusion was provided by the announcement that the State Department "was continuing its study

of neutrality policy." To those informed on Washington affairs the announcement carried just one simple implication—the State Department, counseled by the Navy Department, was trying to work out "an optional law" which would give the President more power, through discretionary embargoes, over the issue of peace and war. Such a law seemed to be the only avenue of escape left open to the still powerful interests committed to freedom of the seas, that is, to the policy of keeping sea lanes open, beating down blockades and making extraordinary profits, through diplomatic and naval protection, out of favored belligerents and their neutral appendages.

This was the program which President Roosevelt, urged by naval advisers, sought to protect against Congress last Winter when he was compelled to surrender under a direct, if quiet, revolt in both houses. All he could save was a restriction of the embargo to "implements of war" and a time limit of six months.

Yet it is due to truth to say that there was a decided rift in orthodox navalism, although little was said about it in the columns of the daily press. Perhaps this was the most significant feature of the whole controversy. Early last Spring in a radio broadcast Admiral Sims had flatly declared: "Our trade as a neutral must be at the risk of the traders; our army and navy must not be used to protect this trade. It is a choice of profits or peace. Our country must remain at peace."

A survey of opinion among naval officers, conducted by the World Peace Foundation and made public in the Autumn, revealed that fifty-six senior officers were inclined to believe that the Sims plan of non-protection for war traders would be possi-

ble, as against fifty-four who were inclined to regard it as impossible. A second question was put: "If possible, is the Sims plan of non-protection desirable?" To this challenge fifty-eight naval officers replied in the affirmative and forty-five in the negative. Thus was demonstrated positively the actual dissolution of the orthodox navalism fostered by Alfred Thayer Mahan, Theodore Roosevelt, Henry Cabot Lodge and Naval Intelligence.

Yet in the situation as it stood in November there was no absolute assurance as to outcome. The tension in the Far East was increased by the growing intransigence of Japan on the Asiatic mainland. That tension was not relaxed in the slightest by a polite call at the Imperial Palace in Tokyo by an American official delegation, headed by Vice President Garner, during a tour to witness the inauguration of the Philippine Commonwealth—which is supposed to be independent in due course, when, as and if. Indeed, news from the Philippines was colored by the well known and easily recognized antipathy to "scuttling" and "shirking responsibility."

Nor did acceptance of the British invitation to a naval conference to assemble in London on Dec. 2 contain any promise of relief from naval rivalry or any escape from its inexorable upshot. Not even optimists expected any reduction in naval expenditures and naval preparations for The Day. On the contrary, an all-around increase in armaments seemed to lie in the auguries, especially with Japan able to play the United States and Great Britain against each other. The war sickness of 1921 had been dissipated. Moreover, the strange conjuncture of a Labor Prime Minister in London and President Hoover in the White House in 1930 had given way to

the combination of a Tory government in Great Britain and a genial navalist in the White House in 1935.

Nevertheless the state of American thought in November, 1935, was not that of November, 1914. Even school children were aware of the preliminary report of the Senate munitions inquiry. Even pillars of society recognized and discussed openly the pressures of private greed in diplomacy and foreign affairs. Isolationists breathed fire and vengeance and declared that they would not be caught "napping" again. High naval officers frankly refused to regard themselves as the advance agents of trade and collectors of overdue bills. Ideas pointed preponderantly in one direction and practice in another, giving promise of a sharp antithesis when the question of renewing neutrality legislation comes on the carpet again. Something more than Executive pleasantries and diplomatic formulas may be required to defeat what appears to be a national resolve "to stay out of war," even at the sacrifice of immediate special interests as distinguished from long-term national interest.

#### ON THE BUSINESS FRONT

In the sphere of American domestic economy the improvement in business continued unabated into November. Production, profits and industrial employment remained on the up grade, although the number of industrial workers on private payrolls did not keep pace relatively with production. A statement from the Department of Labor on Oct. 24 reported industrial employment in September, based on 1923-35 averages, as 83.6 as compared to 81.8 in August, and 75.9 the previous year. The durable goods group, however, was still lagging, with an employment ratio of 71.2.

Nothing was done or said by Presi-



dent Roosevelt to mar "the business truce" or interrupt "the breathing spell." On the contrary, on his return from the Western trip by way of the Panama Canal, he declared optimistically: "We are on our way back; not just by pure chance, not by a mere turn of a wheel in a cycle; we are coming back solidly because we planned it that way." How much the improvement was due to "planning," to public expenditures, or to factors that economists call "natural" and "normal" remained a subject of dispute among bystanders, with no positive outcome, as usual.

In the railway industry no pleasing prospects were in sight, despite the improvement in carloadings over last year. The losses of Class I lines during the first six months of 1935, as given out by the Interstate Commerce Commission in October, were far heavier than during the same period in 1934, with prospects for increased outlays under the Railway Pension Act. Lawyers, receivers, trustees and bondholders' committees continued to wrangle in Washington over plans for the "reorganization" of lines in distress, without bringing a single prostrate structure to its feet again. Conflicts of policy in the administration prevented the RFC from effecting any "rehabilitations," if it had a mind to employ its money and powers to that end.

The growing railway distress, to which references have been made repeatedly in these pages, was marked on Oct. 23 by the collapse of the New York, New Haven & Hartford, and a petition for reorganization under Section 77 of the Bankruptcy Act. Thus another stage was marked in the long trail to ruin that was taken years ago when prudent New England investors and bankers yielded to the blandishments of superior wisdom in

Wall Street. Yet in the presence of this crisis and crash, an eminent railway president remarked publicly in New York City that about all the railways needed was a let-up in government interference—a president whose line pays no dividends, on account of his imperial financing, and enjoys the bounty of RFC. About the same time a post mortem revealed that the Pennsylvania Railroad Company held 319,925 shares of New Haven stock and that its holding concern, Pennroad, owned 148,800 shares acquired at an average price of \$115 a share. When, on the day of the receivership, New Haven common fell below 3, it appeared that there had been some lack of statesmanship even in Pennsylvania.

In collateral connection with railway bankruptcies, however, an incident of the month threw a flash of light into the gloom. In winding up the affairs of a bankrupt corporation, a Federal Judge in New York, who had received his education later than 1880, astounded the legal profession by making drastic cuts in the claims of lawyers and bankers "for services rendered." One banking house that asked for \$100,000 received exactly nothing, and an affiliated law firm that demanded \$150,000 was allowed exactly nothing. All in all, the court cut \$2,213,000 from the combined bills of the reorganizers, foreshadowing, perhaps, a time when Mr. Justice Harlan Stone's dissent in the Chicago, Milwaukee & St. Paul fee case may become the opinion of the Supreme Court. If this happens in the railway world the prospect of having railroads managed entirely by men acquainted with transportation will be enhanced.

As in business, so in agriculture, the breathing spell was marked by signs of contentment. From AAA checks

continued to flow out to farmers, not overlooking Connecticut tobacco growers. The poll of farmers on the corn and hog program of control, taken late in October, resulted in an overwhelming vote favorable to the administration's policy, conservatively reckoned at 6 to 1 in support of "balanced production," coupled with conservation of the soil. In the ivory towers of urban news and opinion makers, especially savers of the Constitution, the results of the balloting created consternation and drew forth the usual comment now to be expected from those who know nothing about the actual uses of the soil supposed to be "wantonly withdrawn from cultivation." In point of cold fact, the new control contracts are more precise than the old contracts in requiring the use of land (withdrawn from specific production) for legumes and other soil building and conserving crops.

Although almost any city editor could have examined "reallocated acres" by taking a motor trip into the country, editorial and syndicated comments on the agricultural program of the government displayed, to say the least, a painful disregard of the facts in the case—economic facts and human facts. The mental suffering of urban manufacturers of opinion was greatly increased, about the same time, by an announcement from President Roosevelt that the administration was passing from a mere "emergency phase" to "a long-time, more permanent plan" for agriculture. This plan, the President explained, "was designed to prevent a slump back into the previous neglect of agriculture" and to broaden the present adjustment policy "to give farmers increasing incentives for conservation and efficient use of the nation's soil resources." The statement was the signal for a renewed

outburst against "regimentation" by professional users of that mental stereotype.

### THE WORLD OF LABOR

Current opinions in the world of organized labor were revealed at the national convention of the American Federation of Labor held in Atlantic City near the middle of October. At this assembly was renewed the struggle over craft unionism and industrial unionism which has engaged the attention of labor leaders for nearly a century. The directors of the Federation were charged from the floor with violating the spirit of resolutions voted at the last convention of the Federation and with refusing to promote the unionization of unorganized millions outside the orthodox fold. Industrial unionists, militantly led by John L. Lewis, proposed a resolution recognizing the rights of workers to form industrial unions without regard to craft lines and to accept into membership all workers employed in the industry or establishment without regard to jurisdictional claims.

Speaking on this resolution, Mr. Lewis said: "On the momentous decision of this convention rests the future of the American Federation of Labor, for it will tell whether the Federation can be forged into an instrumentality for all the workers or whether it will rest content with rendering service to but a paltry 3,000,000 or 5,000,000 instead of 40,000,000 who want to be union men." The resolution was defeated by a substantial majority, but the sponsors of industrial unionism registered an increased vote and expressed confidence that in a year or two victory would be attained.

Among the other actions of the convention several were of particular sig-

nificance. A truce was made with the American Legion. That body is to put restraints on the strike-breaking activities of its members, and the Federation is to join it in waging war on the Reds. The executive council's proposal to bar from membership in any union all persons known to be Communists was defeated, however, and Communists were merely excluded from seats in State labor federations and in central labor bodies. The convention voted to sever official relations with the National Civic Federation—one of the professional "red-baiting" agencies. The boycott of Nazi goods, withdrawal from the Olympic Games in Germany and the condemnation of Italy's invasion of Ethiopia were approved. A resolution endorsing an amendment to the Constitution of the United States empowering Congress to enact social legislation was carried, despite the strenuous opposition of Republican labor leaders in the convention. Open discussion of the call for an independent labor party was forced, but the proposal to form such a political body was voted down. William Green was re-elected president of the Federation. As usual, both sides professed satisfaction with the outcome, but industrial unionists seemed more confident than ever.

During the debates at the convention of the Federation the struggle over industrial unions drew into consideration the question of labor relations under the Guffey-Snyder Coal Act and the Wagner-Connery Labor Act. Craft unionists expressed some fears of resort to government protection for collective bargaining, as if it smelled of coordination and the corporative State. But experience under these acts had not gone far enough to warrant more than an airing of opinions. Indeed, not until October were any complaints taken up by the

new National Labor Relations Board.

In the course of that month several charges were filed against employers, alleging unfair labor practices. Among others, the Pennsylvania Greyhound Lines, Inc., was accused of discharging employes for joining a union, intimidating employes and giving money to a company union. Owing to the importance and clear-cut nature of the Greyhound case, there were indications that it would be chosen for presentation to the Supreme Court in testing the constitutionality of the Wagner Act.

Speaking at the Federation convention, Chairman J. Warren Madden hinted at the line of argument to be made: "If Congress may protect the flow of a regular stream of livestock through stockyards, through packing plant to consumer, by regulating the management of stockyards, why may it not protect the interstate stream of raw materials, through factory to consumer in another State, by preventing unfair labor practices in the factory which threaten to interrupt that flow?" To provide a negative to that question, the Supreme Court will have to make interesting discriminations.

Despite the indisputable signs of advance in business and the general contentment of the Federation of Labor, the amount of unemployment in the country remained oppressively large. After reporting a decrease of 26.1 per cent in unemployment in manufacturing and mechanical industries for September, 1935, as against September, 1934, the Industrial Conference Board placed the total number of unemployed workers at 9,466,000 in the first Autumn month. Owing to rationalization and the adoption of labor-saving devices during the depression, industries were able to increase their output without adding a proportionate number of workers.

If the Federal Government was to "taper" off public expenditures for employment purposes and industry could not rise far above 1928 in activity, then arrangements would have to be made for carrying on indefinitely the system known as "the third economy"—a large body of workers not gainfully employed in agriculture and business, dependent upon charity and government for subsistence at a low level of living. Given the present thought and temper of leadership in the United States, this meant coming sooner or later to the permanent dole as "the cheapest way of supporting the misfits." This outcome of "the American dream," though widely accepted by practical persons as inevitable, threw shadows athwart the sunlight of Wall Street.

Some part of this unemployment, no doubt, was due to the long delay in getting the work-relief program into operation. On Nov. 2 Administrator Hopkins conceded that he was still far short of the goal set last Spring—the employment of 3,500,000 persons on public enterprises. Late in October the number actually engaged in such work was 1,500,000 in round numbers, but Federal funds were being rapidly released and the hope was expressed that the remaining 2,000,000 would be employed by Dec. 1, the date set for putting an end to direct Federal relief payments. In fact, the plan for ending the dole, proposed by President Roosevelt in his January message, appeared to be ditched by stubborn realities. More money was spent by the Federal Emergency Relief Administration during the first ten months of 1935 than during the same period in 1934, and State agencies of relief were fearful lest the withdrawal of Federal funds after Dec. 1, as threatened, might leave them stranded in the presence of an insuperable problem.

Hence the possibility of abolishing the dole diminished as national leadership grew accustomed to thinking of "the third economy" as permanent. Cumulative evidence indicated that the next session of Congress will have the issue on its hands, when and if it begins to consider "retrenchment" in Federal expenditures.

#### *PARTIES AND POLITICS*

As usual, the movement of economic interests and opinions was entangled in partisan interests and opinions. The improvement in business conditions in the industrial sections was accompanied by a revival of Republican buoyancy. At conferences, banquets and celebrations industrial leaders made it fairly clear that in case "prosperity returns" they have no intention of attributing it to the Roosevelt administration but propose to get rid of the New Deal as soon as possible. The fear and gratitude of 1933 have practically disappeared. Hope and opposition have taken the place of alarm and thanksgiving. Indeed, according to the new mythology, President Hoover had stopped the panic, and President Roosevelt had renewed it—for mere political purposes. The process of consolidating industrial and financial interests against the administration, long open to observation, was continued through October into November, apparently on the assumption that "we are now definitely out of the woods."

Hints were not wanting that administration leaders recognized the loss of support in the regions of industrial and business concentration, especially New England. But this recognition was not followed by any signs of despair. On the contrary it was accompanied by renewed attention to the West and South—old strongholds of agrarian democracy. Woodrow Wilson



lost Connecticut, Delaware, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island and Vermont in 1916; he even lost Indiana; and yet he was re-elected President by a safe popular and electoral vote. This lesson was not overlooked during the political discussions of the Autumn.

Something more exact than the shrewd hunches of political observers was introduced into the prognostications of October. For many years students of public opinion have been developing statistical techniques for "sampling" and measuring states of, and trends in, popular opinions. In 1934 the American Institute of Public Opinion, a nonpartisan fact-finding organization founded in Washington, began to apply the new techniques to the discovery of movements in thought. On Oct. 27 the Institute made public the results of its latest statistical survey. These results indicated a decline in the popularity of President Roosevelt in every section except the Mountain States as compared with 1932. But, despite the decline, the President maintained a comfortable majority in all sections, save New England, where it was reckoned at a bare 51 per cent of the poll. From these returns the general conclusion was drawn that at the moment of the poll the President could be re-elected safely, but not in a landslide comparable to 1932.

Important as were the Institute's findings, they were far from conclusive. They could not forecast the type of candidates to be picked for 1936 by Republicans under the inspiration of J. Henry Roraback and Charles D. Hilles, and hence the form of choices to be presented to the voters. The Institute's poll month by month revealed also the trend in the decline in President Roosevelt's popularity, to which reference has been made in

these columns on the basis of inferences from clippings. The decline was fairly steady from November, 1934, to September, 1935, when it nearly touched the bare majority line; but a turn upward came in October, 1935.

Amid signs of "recovery" and a slump in Democratic felicities the partisan aspects of the national scene showed some symptoms of clarification. By openly declaring that the supreme issue of 1936 was "trust busting," and by making a sharp attack on the conservative wing of the Republican party, Senator Borah committed "political suicide," to use the vernacular. His action strengthened the conviction in informed circles that the next Republican National Convention will be controlled by conservatives and that they will seek to make the leading issue of the campaign "the preservation of the American system of government." This sentiment appeared among the leaders who gathered around ex-President Hoover during his visit to the East on "business engagements" and among party managers who held themselves aloof from the Hoover faction. Confidence in victory on the issue was not expressed in unmeasured language, to be sure, but no slogan offering better prospects was evolved by the Republican board of intellectual strategy.

Concerning the shape of things to come the elections of Nov. 5 made few revelations. Little could be gleaned from contests over legislative seats in New York, New Jersey and Virginia, although much had been said by campaigners about the New Deal. In New York the recapture of the Assembly by the Republicans was hailed on that side as an auspicious augury for 1936, but an analysis of the total vote in relation to the constitutional gerrymander of that State pointed in the opposite direction. Nor did the defeat

of Democratic candidates for local offices in the old Republican stronghold of Philadelphia provide a Q. E. D. for next season. The failure of the Republican candidate for Governor in Kentucky could be discounted as a minor incident in a factional squabble. If there was any meaning in the fairly even balance in New Jersey, it might be ascribed to local accidents rather than to any high resolves on national issues. On incomplete returns, about the only safe generalization seemed to be that reaction had set in against the Roosevelt administration in the East—a conclusion already made manifest in other indices.

#### AMERICAN CIVIL LIBERTIES

Occupying less space in the news columns than reports of partisan manipulations and minor election contests, but perhaps more significant for the future of "the American system of government," were numerous cases coming under the head of "civil liberties." Teachers in Massachusetts, including Harvard professors, bowed to the recent statute requiring educators to take the oath of allegiance, but an 8-year-old schoolboy at Lynn was expelled for refusing on religious grounds to salute the flag. The case of a local teacher who begged relief as a member of the Jehovah's Witnesses sect was deferred for consideration. In New Jersey two children were ousted from school for declining to salute the flag and for placing allegiance to God above loyalty to the United States.

At the national capital some turmoil rose over an act of Congress forbidding the teaching of communism in the schools of the District of Columbia. On the one side school authorities interpreted the act to mean a prohibition of propaganda, not a ban on the scholarly presentation of "the facts

of communism." On the other side critics of the school administration contended that under the law nothing pertaining to Russia could be presented in the school rooms save "the bare geographical facts." This pedagogical issue may be laid before the Supreme Court for decision, if sponsors of the Red drive insist upon pressing it.

In the world of adults several old cases involving civil liberties continued to command attention and new cases appeared on the docket. Angelo Herndon, convicted under a Georgia "insurrection" law of 1866 and denied relief by the Supreme Court of the United States on technical grounds, was returned to an Atlanta prison on his way to the chain gang for a long period of years, with no hope of escape save through a pardon from Governor Talmadge or some new proceedings in Washington. In Aztec, N. M., a case was added to the long list of labor conflicts by the conviction of three of ten defendants charged with murder in an industrial dispute. In the trial the court was sustained by the United Patriots of America, a local association of vigilantes, while relatives and friends of the prisoners were arrested and imprisoned for agitating in favor of the defense. Conflicts and murders were reported from sharecropping regions of the South in connection with activities of the Southern Tenant Farmers Union. A State Senate committee in Wisconsin, after investigating the university, denounced President Frank as "a Communist" and called for a general "purification." At Williams College, according to reports, the administration of the constitutional oath to professors was made the occasion of a satirical demonstration by students, accompanied by goose-stepping, Hitler salutes and the unfurling of a swastika banner.

# Liberal Victory in Canada

By J. BARTLET BREBNER

**D**ESPITE the previous fears of stalemate among five parties, the Canadian election of Oct. 14 was a resounding climax to the recent series of Liberal landslides in the Provinces. Mackenzie King's party scored the most sweeping electoral victory since Federation. Its share of the vote was only 46.6 per cent, but it took all but one seat in the Maritime Provinces, all but five in Quebec and upset Tory Ontario for the first time since 1874 by capturing fifty-five of the eighty-two constituencies. Liberal strength faded somewhat in the distressed West, where the party captured Manitoba and Saskatchewan, but failed to win Alberta and British Columbia. About 66 per cent of the voters went to the polls and about one-quarter of the votes went to third parties, an increase of 400 per cent over 1930. Ironically enough the two-party system persisted in strength largely because three "third" parties split the vote.

The outcome was a national mandate to the Liberals. Nor could the sixty conservative Liberals from Quebec any longer dominate the party as they had in the past. Mackenzie King might have a difficult time in riding the various kinds of Canadian Liberalism, but no one group could dictate policy. The combined delegation from industrial Ontario and Quebec seemed to promise solicitude for industry and business, but the Ontario group in particular had shown somewhat more concern with social problems than reverence for high finance. In addi-

tion, the fishermen and woodsmen of the Maritime Provinces and the wheat-growers of Manitoba and Saskatchewan had undoubtedly voted for lower tariffs.

The election temporarily reduced the Conservatives to an Ontario party, and to a minority even there. In Alberta the Social Credit gospel was still potent enough to win all sixteen seats except Mr. Bennett's in Calgary. The Cooperative Commonwealth Federation suffered sadly from this new faith in Alberta and Saskatchewan, but did a little better in British Columbia. In all, however, their group dwindled down to eight members. H. H. Stevens's Reconstruction party won more votes across Canada than the C. C. F. or Social Credit, in spite of its hastily improvised organization, yet only its leader secured a seat. It was generally felt that the Reconstructionists had attracted normally Conservative and C. C. F. votes, thereby aiding the Liberals without gaining seats for themselves. The so-called "ginger group" of nine United Farmers of Alberta was wiped out by the success of Social Credit.

Mr. King showed both courage and pliancy in the difficult job of Cabinet-making. He shelved a good many loyal veterans to give place to younger enthusiasts. For purposes of economy he reduced the Cabinet from twenty-one to sixteen. He promised the excellent innovation of appointing Parliamentary secretaries to assist the Ministers and the Civil Service Deputy Ministers. He persuaded his former Minis-

ter of Finance, C. A. Dunning, to give up an important business position and take his old portfolio. On the whole the Cabinet was praised by Conservatives as well as Liberals, for Dunning's recent weight in the business world seemed to assure orthodoxy at the Treasury.

London, Washington, Tokyo and Moscow quickly indicated their belief that the election meant easier access to the Canadian market. Mr. King strengthened this impression by notifying the American and Japanese Ministers at Ottawa of his intention to seek better trade relations and by accepting President Roosevelt's invitation to stay at the White House on Nov. 8 while on his way to the South for a holiday.

The meeting between Premier King and President Roosevelt was highly successful. A communiqué issued on Nov. 9 declared: "There is complete agreement on the objective of a greatly increased flow of trade for the benefit of both countries, and substantial progress has been made toward this end." Behind the language of diplomacy was something very real, for Mackenzie King hurried back to Ottawa and summoned a Cabinet meeting for Nov. 11. Then he announced that a trade treaty had been signed.

Within Canada the government had immediately to consider the need for social services and for integration of taxation and financial burdens. Mr. King promptly referred Mr. Bennett's social and economic legislation to the Supreme Court for decisions as to constitutionality. He successfully appealed to the Provinces for a Dominion-Provincial Conference on Nov. 27, when he hoped to get the facts on Provincial needs, rights and capacities in unemployment and relief, to find out how Federal and Provincial powers

were divided, and to reach agreement on both aims and methods in case it should prove necessary to amend the Constitution. He enjoyed the immense advantage of having Liberal governments in eight Provinces and the rather bewildered Social Credit régime in the ninth.

Mr. King seemed bent on belying Mr. Bennett's gibes at his inability to act decisively and on doing so within his own terms of democratic instead of autocratic methods and of broad principles instead of impulsive acts. He startled the country by canceling a number of large Conservative works contracts and by abolishing harbor commissions in seven ocean ports in accordance with the Gibbs recommendations of 1932. A board of three civil servants supplanted the local groups that had too often distinguished themselves by competitive expenditures on unwarrantably large harbor works. It seemed likely that Mr. King would follow Mr. Bennett's practice of leaning heavily on the civil service and of building it up by careful appointments to the higher ranks.

#### THE WHEAT MARKET

The election upset the wheat market because of previous Liberal attacks on government support for prices. The world expected that the carryover and the new crop would be sold for what they would bring. At the same time the warlike tension between Italy and Great Britain relaxed, so that the Winnipeg price fell from nearly \$1 a bushel to below the government's rate of 87½ cents, taking the world price with it. Mr. King's response was to place the Wheat Board under a Cabinet committee, with W. D. Euler as chairman. Mr. Euler announced that Canadian wheat would not be dumped and that the board would continue its operations.



The price situation, however, was still uncertain at the beginning of November, and exports during October were disappointing, largely because of a persistent ten-cent price differential at Liverpool with Australian and Argentinian wheat.

#### ONTARIO'S ECONOMIC WORRIES

The Ontario Government during October faced serious problems affecting its own Hydroelectric Power Commission and the privately owned paper industry. Legislation was recently passed authorizing cancellation of contracts for power awarded to four Quebec companies by the previous Conservative government. Under these contracts the Ontario commission had to buy 525,000 horsepower which it either could not use or had to resell at a loss, the annual deficit being \$12,000,000. After long negotiation with the companies and with bondholders as well as shareholders, attempts to compromise broke down and the commission refused to accept the unwanted power.

The paper problem arose when a group of twenty-five American publishers proposed to acquire a bankrupt Ontario paper company. The courts and government were asked for approval, but the question arose as to whether potential dividends on the stock of the new company would not amount to rebates to consumers of Ontario paper. The industry had already been alarmed by one company's raising its price for 1936 by only \$1 a ton when \$2.50 or \$3 had been anticipated. Uniform prices are practically dictated by the usual form of contract with American consumers, but these have not ironed out bankruptcies. Price and retention of control by producers instead of by consumers were sufficiently important to engage governmental attention, but

a settlement would have ultimately to include the Province of Quebec. On Nov. 5 the government announced its opposition to the specific reorganization asked by the American group and also to "further efforts to complete this plan or any other plan of this character."

#### UNREST IN NEWFOUNDLAND

At a public meeting in St. John's, Nfld., on Oct. 30 a resolution was passed declaring that "discontent is general throughout the country" and calling for the restoration of responsible government. A reaction against the Anglo-Newfoundland Commission Government which rescued the country from bankruptcy has been inevitable for some time. One complaint has been that salaries to magistrates and other officials are too high. The commission retorts that decent salaries have eliminated graft.

Newfoundland's economic position, always weak, has been made worse by quota systems and exchange fluctuations in countries which buy her cod.

Even after the conversion operations which lightened the annual interest burden by 40 per cent and the generous grants from the British Colonial Development Fund, Newfoundland is barely able to approach a balanced budget. Only by a substantial increase in exports can she reduce her heritage of debt from unscrupulous past administrations. The reports issued in December, 1934, and May, 1935, by the Commission of Government and H. F. Gurney's *Report on Economic Conditions in Newfoundland*, of March, 1935, although drawn up by British officials, show that the commission's task is an unenviable one. Most of their experiments appear to have been both ingenious and judicious, even if they have involved new expenditures.

# The Chaco Peace Fiasco

By HUBERT HERRING

THE high hopes entertained in June and July for an enduring peace between Paraguay and Bolivia had disappeared by the first week in November. The neutral members of the Chaco peace conference, after nearly four months of negotiation, faced virtual defeat on every issue.

Paraguay continued her demands for all conquered territory, that is, for all the disputed area of the Chaco. Bolivia pressed her claims to substantial sections of the Chaco with access to the Upper Paraguay River. Paraguay turned a deaf ear to all pleas for mercy in the repatriation of some 28,000 Bolivian prisoners. The only gains won by the negotiations had been the cessation of hostilities, forced by sheer exhaustion, and the demobilization of the rival forces to an effective strength of about 5,000 men on each side. The attempt of the opposing generals to force peace upon their countrymen proved abortive.

By Oct. 28 the neutral members of the conference were forced to console themselves with the hollow mockery of a peace declaration, which for all its diplomatic correctness probably represented neither the conviction nor the purpose of either belligerent. This declaration was in line with the protocol of June 12, 1935, under which the fighting ceased and the peace conference was authorized to declare the war officially ended as soon as the armies had been demobilized and guarantees taken against the resumption of hostilities.

The neutral military commission had reported to the conference on Oct.

18 that the prescribed demobilization had been completed, that neither Paraguay nor Bolivia had bought new armament and that they had complied with their pact of non-aggression. With the end of the war thus officially announced, the status of belligerents and neutrals officially disappeared. This action of the conference gave force to Bolivia's insistence that her nationals held as prisoners by Paraguay should be released. Paraguay on Nov. 1 showed no sign of yielding to this argument, contending that the release of prisoners must await the signing of a peace treaty. In the meantime, the neutrals had drawn up a treaty, only to have it immediately rejected by the rivals. They contended that no treaty could be considered to which the former belligerents were not party, while the neutrals had found it impossible to bring the opposing delegations together in the same room.

The seeming hopelessness of arriving at any agreement was augmented by the political confusion within the belligerent countries. Both Presidents, Ayala of Paraguay and Tejada of Bolivia, seemed intent upon using the situation to extend their own terms of office, in contravention of their national Constitutions. Both faced angry opposition. Neither could assume a realistic attitude toward the peace settlement without giving new weapons to the opposition forces.

One other wan gesture was made by the conference on Oct. 21, when it was agreed to appoint a committee to de-

termine responsibility for the war, each former belligerent to name one nation as its representative, the third member to be a "magistrate of the Supreme Court or some other high judicial official of the United States." Under the terms of the June protocol signed by the belligerents, if the decision of such a committee were not accepted within thirty days, the whole issue would be referred to The Hague.

The tangle was made worse during October by friction between Paraguay and Argentina. The administration press in Asuncion accused Argentina of using the Chaco war as a screen for seizing strategic points on the Pilcomayo River. Further fuel to the flames were charges that the Standard Oil Company had constructed a secret pipe line across the Bolivian-Argentine border to escape Bolivian export taxes. The governments of Bolivia and Argentina were investigating this charge during the first week in November. The suspicion was expressed by competent bystanders that these charges and counter-charges had been inspired in the respective Presidential offices in order to distract public attention from internal political unrest.

#### ARGENTINE CONFLICTS

Business is better, politics worse—that seemed to summarize Argentinian developments up to the first week of November. The efforts of President Justo to hold the refractory Provinces in line continued. On Oct. 1 marines were sent to the Province of Santa Fé to quiet the general strike against the Federal Government's policy of superseding the Province's elected authorities with a Federal commissioner. The strikers had compelled business houses to close, there were no street cars or buses, schools were closed, and a

shortage of foodstuffs threatened. The strike evidenced the stubborn mood of the Argentine people, which angrily resents any inroads upon constitutional rights. The Justo government saw its power threatened by the political revolt in the Provinces, and was taking desperate measures.

On Nov. 3 elections were held in the Province of Cordoba and in Buenos Aires. The tactics of the government were so high-handed and the indignation of the press so strident that a rigid censorship was imposed on all outgoing news. *La Nacion* and *La Prensa* denounced the government in harsh terms. The newspapers reported that every possible form of fraud and coercion had been resorted to, and charged the government with full responsibility. They described the contest as a bitter chapter in the conflict between two epochs—oligarchy and democracy.

The economic situation steadily improved during the first nine months of 1935. Argentine exports were up 10 per cent in September as compared with September, 1934. For the first nine months of 1935 Argentina had a favorable trade balance of \$98,110,000 (figured in United States dollars), as against \$97,877,000 for the same period in 1934. During this period Argentine exports to the United States more than doubled, as compared with the preceding year. Argentina's imports from the United States increased during the same period by about 10 per cent over the same period of 1934.

In the meantime the Argentine Government continued its policy of discrimination against the United States, under which importers of American merchandise are required to pay a surcharge of 12.5 per cent when purchasing drafts to pay for their imports. In view of the doubling of the exports to the United States, Ameri-

cans doing business with Argentina felt amply justified in entering emphatic protests against this discrimination.

The Argentine drive for larger cotton production is on. It was announced in October that cotton acreage would be increased by 25 to 30 per cent during the coming season. It was estimated that approximately 800,000 acres in the northern subtropical area of Argentina would be devoted to cotton culture. Plans were made public under which State aid will be extended to cotton producers, colonization in the cotton area stimulated, seed furnished and scientific methods encouraged.

#### FOREIGN CAPITAL FOR MEXICO

President Cardenas assured the world on Oct. 23 that Mexico is ripe for the investment of foreign capital. He dwelt upon the possibilities for industrial expansion and the need for capital to finance such expansion. He vigorously denied the widespread conviction that Mexico is afraid of foreign capital, and with equal vigor announced Mexico's determination to deal fairly with alien investors.

If land is taken for subdivision among the Indian villages, the President said, it will be paid for with bonds which the Mexican Government pledges itself to redeem at par. There will be no confiscation in the industrial field, only regulation such as is accepted in other countries. The recent reduction in the price of gasoline was justified, he said, by the earnings of the companies and by the needs of the population. He closed his argument and invitation by laying down the one condition under which foreign capital would be welcomed—strict adherence to the law of Mexico—and by promising the government's fullest support to those who dealt fairly.

President Cardenas's invitation was met in New York financial circles by various rejoinders. Some hailed it as the promise of happier days and as opening the doors to mutually profitable investment. Others insisted that it would be impossible for American capital to proceed with any assurance until old scores had been settled. Some questioned whether it was possible for a foreigner to do business in Mexico so long as her labor codes stand; others with equal experience in Mexico contended that those who played fairly under the Mexican rules have as good a chance to make money and survive in Mexico as in the United States.

Still others, equally conversant with Mexico, responded to the Mexican President's argument by suggesting that Mexico's present favored economic condition is largely traceable to her having had for some years to rely upon herself. Unable to borrow, as many of her neighbors had, she had developed her own resources in an independent fashion. She had thus become to a large degree immune to the financial storms so disquieting to her industrialized and therefore less independent neighbors.

#### MEXICAN CHURCH QUESTION

A new chapter in the Mexican church question opened on Oct. 18, when a petition was sent to President Cardenas by fourteen Archbishops and Bishops on behalf of the entire hierarchy of Mexico. The petition was moderate in temper, professed eagerness to cooperate for the largest good of the country, and begged such modifications of the church laws as would permit the ministry of religion to be conducted without the grievous handicaps at present imposed. Specific changes were asked in Articles 3, 24, 27 and 130 of the Constitution.



The first article provides for socialistic education and the exclusion of religious teaching in schools; the second for religious freedom when "such practice does not constitute a transgression of the law of the land"; the third for the nationalization of all church property; and the fourth for the number of priests allowed to function. The prelates asked for recognition of the right of private schools to teach religion, and the banning of atheistic and socialistic teaching in the public schools; the ending of artificial bans on the freedom of religion; the lifting of the ban against church ownership of property; the assurance of religious liberty in the matter of free appointment and functioning of priests.

The President, in his reply on Nov. 5, announced that the laws of Mexico regulating religious institutions and divorcing education from religious teaching would be rigidly enforced. At the same time he reiterated his stand that Mexico's program was not anti-religious, but that the teaching of religion must be confined to the home and church. Implicit in the statement was the promise to respect the right of the church so long as religious instruction was conducted within the limits of the law.

It had been hoped that President Cardenas would permit changes in the law to remove the tension. At the same time, those close to the church aver that in practice the church groups are having a happier time than has prevailed for several years. The laws, they say, are being enforced with less rigidity and with more deference to the convictions of the people. Furthermore, they are heartened by the interchange of opinions between the hierarchy and the President. The very fact that the heads of the church felt free to raise their voices and that the Pres-

ident responded indicates a mood quite different from that which prevailed under Calles.

#### COLOMBIAN TRADE AGREEMENT

The reciprocal trade agreement between the United States and Colombia, signed in Washington on Sept. 13, was finally published on Oct. 9. To become effective it must be approved by President Roosevelt and the Colombian Congress. Its terms resemble those of the previous Latin-American agreements. In each case, the Latin-American signatory has agreed to drastic reduction on tariff rates for imports from the United States, and has in return been assured that the United States would continue to treat it as well in the future as in the past.

In the case of Colombia, the United States is assured tariff concessions on more than 150 classifications, covering several hundred products. The reductions ranged from 16 per cent to 90 per cent, and according to the State Department in Washington "affect a broad range of commodities for which the Colombian market is of particular interest to the American producers."

These commodities, on which duties are to be reduced, or protected against increase, account for 58 per cent of Colombia's imports from the United States in 1933. Included in the list are some agricultural products, notably lard, formerly the most important agricultural import from the United States. The Colombian tariff reduction on lard is 50 per cent. Other reductions, ranging from 20 per cent to 70 per cent, are provided on a wide range of processed meats, fruits, vegetables and milk; on certain leathers; and on tobacco and cigarettes. Sharp reductions in the tariff schedules for automobiles, machinery and

electrical equipment are included; in the case of passenger cars, there is a reduction of 20 per cent to 25 per cent, on trucks and buses of 50 per cent; on typewriters, cash registers and adding machines of about 66 2-3 per cent.

The United States, in return for these substantial concessions, promises Colombia that her leading commodities will remain on the free list. These include coffee, bananas, uncut emeralds, crude ipecac, platinum and a number of less important items.

On the face of it, Colombia does most of the conceding. Any agreement with Colombia would be open to that charge, for 80 per cent of Colombia's imports from the United States are at present dutiable under her tariffs, while 94 per cent of Colombia's exports to the United States are on the free list. Furthermore, two of Colombia's chief products, coffee and bananas, are poor staples with which to bargain. There is too much of them elsewhere.

Secretary Cordell Hull and his associates in the Department of State look to the agreement as the instrument for restoring to the United States the export trade formerly enjoyed with Colombia. This amounted to \$58,596,000 in 1928, fell to \$10,670,000 in 1932 and reached \$21,943,000 in 1934.

#### *CUBA'S POLITICAL PARTIES*

The first week of November saw the politicians of Cuba in dress parade for the election set for Dec. 15. But the island was troubled throughout October by the continuing repressive measures of President Mendieta and Colonel Batista. There has been an armed truce for many months, with fitful suppression of the freedom of

the press, the sniping of students and radical labor groups, and with a growing sense of frustration and hopelessness.

By Nov. 1, three parties or coalitions had emerged, each with their candidate for the Presidency. President Mendieta's Nationalists had fused with the Republicans and nominated Dr. Miguel Mariano Gomez. The Liberals had put forward Dr. Carlos Manuel de la Cruz, and the Democrats had named ex-President Mario G. Menocal.

The three candidates proposed are all representatives of the old guard of Cuban politics. Gomez and de la Cruz are forty-five years of age, but their habits and mind are patterned after those "men of '95" of which the ABC enthusiasts were wont to speak so contemptuously. Menocal's past performance is too well known to leave any doubt as to his course in office. He offers little hope to those who during recent years have hailed the redemption of Cuban politics.

There is one man who stands to win, no matter how the election may go—Fulgencio Batista, the most astute and powerful figure in Cuba. He controls the army, a well disciplined and promptly paid body, and with the army he bids fair to control the State and whoever is elected to preside over it. There will unquestionably be attempts to challenge his power, but those close to the scene question whether his hold can be broken from the outside. There is, at the moment, no sign of a break from within. The army has a full stomach, and so long as he keeps it full, Batista can rest content, as Presidents come and go.

# British Election Issues

By RALPH THOMPSON

GREAT BRITAIN'S general election, the first in four years, was called, fought and decided within the space of three weeks. On Oct. 23 Prime Minister Baldwin rose in the House of Commons to announce formally what every one already knew—that the King had been “graciously pleased” to grant the dissolution of Parliament and that balloting for a new Parliament would be held on Nov. 14. While the actual results were not available at the time this magazine went to press, there seemed no doubt of the outcome. Mr. Baldwin and his Conservative colleagues would be returned, and His Majesty's government would carry on much as it had before.

It was the cut-and-dried character of the election, indeed, that inspired many of the Opposition's campaign speeches. What, apparently, had Mr. Baldwin been astute enough to do? He had summoned Parliament on Oct. 22, a week earlier than scheduled, given over three days to debate on the government's foreign policy, and then, on the fourth, assembled both houses in the Lords for thirty minutes or so to hear the Lord Chancellor announce the prorogation. Matters of domestic policy—unemployment, relief scales, the Depressed Areas? These there had been “no time” to discuss. In the Opposition's opinion the government had purposely chosen to go to the country during a crisis in foreign affairs, at a time when party lines had been almost obliterated in a burst of enthusiasm for the work done at Geneva by Sir Samuel Hoare and Captain Anthony Eden.

Mr. Baldwin's reasons for calling the election were naturally somewhat different. He told the Commons that the choice of dates was limited to a short period in the Autumn or to another early in the Spring (“a remarkable constitutional discovery,” observed the *Manchester Guardian*; “it will make hay of all the textbooks”) and that of the two the earlier seemed the more desirable because no one could tell how foreign affairs would stand in the Spring. Besides, the government had heavy worries because of the Ethiopian war, and he wished so far as possible to spare it the bother of thinking “Now, when can we go to the country? When can we find the time to interfere with this most important work for three or four weeks?”

At any rate, the election was scheduled and campaign speeches almost immediately began to fill the air. The government's policy was stated in a manifesto issued on Oct. 27 over the signatures of the Prime Minister, Ramsay MacDonald and Sir John Simon: “The League of Nations will remain the keystone of British foreign policy”; “the defense program will be strictly confined to what is required to make the country and the Empire safe and to fulfill our obligations toward the League”; “trade barriers will be reduced by means of bilateral commercial treaties”; “unemployment insurance for agricultural workers”; “creating additional employment by use of credit and other resources of the State”; “maintenance

of the existing powers of the Unemployment Assistance Board"; &c.

The Labor party's manifesto, signed by C. R. Atlee (temporary leader of the party following George Lansbury's resignation), Mrs. Jennie L. Adamson and F. S. Middleton, deplored the government's attempt "to exploit for partisan ends a situation of grave international anxiety," and listed the political crimes committed during the past four years. It promised, in the event of a Labor victory, a government that would "promote socialism at home and peace abroad"—specifically, one that would work with the League to end the war in Africa, maintain necessary defense forces until armies and navies had been reduced by international agreement and national air forces completely abolished, nationalize the land and the coal mines, transport, electrical, cotton, iron and steel, and banking industries, abolish the House of Lords, &c.

From the Liberal party headed by Sir Herbert Samuel and from its political ally, David Lloyd George's Council of Action, came spirited and lengthy manifestoes. The former frowned equally upon Labor's "reckless scheme of wholesale nationalization" and the return of a Conservative government masquerading under the label "National." The Council of Action was more specific; at home it recommended a vast system of public works, closer government regulation of the Bank of England and joint-stock banks, the discarding of "the present fashion for national self-sufficiency" and a consequent revival of free trade with those countries which did likewise. In the international sphere it proposed that the League move against Italy by more drastic and speedy methods than economic sanctions and that a five-year armament truce be declared to allow the

world to solve the territorial, economic and population problems that face it.

Yet with all these stirring partisan propositions Britain's 1935 election was, in the words of one close observer, a sham battle from the word "go." The Labor party, almost leaderless, did not want to win a majority and be called upon to face one of the most ticklish of international situations. The Liberal party, to all intents and purposes a visitor from the political graveyard in which it had been interred after the election of 1924, had not yet experienced a reincarnation enabling it to bear the burdens of government. The most that could be hoped, therefore, was that the electorate would return an Opposition sufficiently strong to establish once more a two-party system in the British Parliament and to end the condition under which almost anything the government wanted was rushed into effect by a majority of over 400 votes.

#### BRITISH ECONOMIC CONDITIONS

While electioneers enthralled their constituents and Foreign Office officials wore sober faces because of the Italian situation, British business and finance continued to improve. Idle shipping tonnage had fallen 38.6 per cent between Oct. 1, 1934, and Oct. 1, 1935; on Oct. 23 the commodity price index of *The Economist* stood at the highest since compilation began in 1931; Treasury returns for the first half of 1935 were some \$60,000,000 greater than those for the corresponding period in 1934; gold holdings in the Bank of England for the week ended Oct. 24 were the largest in history; the aggregate foreign trade for the nine months ended Sept. 30 was almost 23 per cent above that for the first nine months of 1934.



October unemployment figures showed that the number out of work had decreased about 40,000 during the month to a new low for the depression years. A fillip to further employment, moreover, was implicit in the government's announcement early in November that it had decided upon two major schemes to assist recovery. Under one, the Exchequer would guarantee loans for railway reconstruction and improvement costing in the neighborhood of \$150,000,000; under the other, the government itself would embark upon a five-year road-building program costing \$500,000,000. Cynics regarded these announcements as vote-catching devices and pointed out that not so long ago Mr. Lloyd George had been neatly rebuked by the government for proposing public works of the same sort. Fortunately, the effect of the schemes upon the ranks of the unemployed did not depend upon the motives behind them.

#### ANGLO-IRISH RELATIONS

"There is no foundation for the suggestions of Anglo-Irish peace moves," stated an official Free State communiqué issued on Oct. 12. This was no doubt in answer to speculation over the meaning of President de Valera's support of British policy at Geneva. The Irish leader himself declared in a speech broadcast on Oct. 4 that he had backed up the League of Nations, not Britain, but his opponents to the Left accused him of having completely surrendered to the ancient enemy, while certain of those to the Right, including ex-President Cosgrave, hinted that a splendid opportunity to make peace with Britain in exchange for Irish support in the crisis had been lost.

In any event, Mr. de Valera insisted that the obligations of the Free State as a member of the League were alone

responsible for his stand, and that he had taken it regardless of the fact that Britain took it also. As for "bargains," there was no opportunity for them. Britain had partitioned Ireland, still occupied Irish ports and still imposed penal tariffs on Irish products. Until these evils were ended there would be no bargaining. Mr. de Valera was no doubt encouraged by the fact that Irish foreign trade figures for the twelve months ended September, 1935, showed that for the first time in years the country's unfavorable balance of trade had been reduced. The Free State still had a chance, that is to say, of escaping the economic strangulation that many believe inevitable if she does not soon come to terms with her cross-Channel neighbor.

#### INDIA IN TRANSITION

As the British Raj continued to prepare India for the privileges that will be hers under the new Constitution, certain perennially annoying obstacles were again encountered. One, which had nothing to do with the impending political changes, loomed up on the restless North-West Frontier, where Upper Mohmand tribesmen had become particularly hostile to British supervision and had expressed their sentiments with rifle bullets. The rebels were brought to terms early in October (for the time being, at least) after a large expeditionary force dispatched from Peshawar and vicinity had descended upon their camps and valleys with light tanks, 4.5-inch howitzers and other instruments of Occidental power.

Obstructing politicians in the relatively civilized parts of India, however, could not be thus summarily dealt with, and so far as they were concerned, the government had no stirring victory to its credit. When the

Legislative Assembly concluded its Simla session on Sept. 26, indeed, official Indians had been pretty roughly handled by Nationalists. Of the much-disputed Criminal Law (Amendment) Bill mention was made in these pages last month; it became law over the protests of the elected majority. The government was also censured on minor points, such as the alleged bombing of women and children during the operations on the North-West Frontier. On the day the Assembly adjourned the official report on the proposed financial settlement between India and Burma (soon to become separate political entities) was denounced as inequitable to both countries, and a motion for its rejection was carried.

Nor in political activities outside the legislative halls was there much evidence that Indian Nationalists were becoming as reasonable as the British would like them to be. Although in speaking at Bombay on Oct. 16 Pandit Kunzru, president of the Liberal Federation of India, had urged that his party accept office under the new Constitution, the more influential Congress party remained adamant in its determination to boycott the Federal India machine.

In official circles the work of preparing for the impending change continued. The Indian Delimitation Committee, one of the bodies entrusted by Britain with the task of making specific recommendations on matters treated only in general by the Government of India Act, began on Sept. 30 a study of various electoral questions, such as how territorial constituencies for the election of members to the Federal and Provincial Legislatures should be delimited, who should be permitted to vote for members of the Council of State and of the Provincial Upper Houses, and what special electoral arrangements should be

made to provide adequate representation for industrial groups, universities and certain native castes.

#### GRIEVANCES IN KENYA

There have been endless tales of the sufferings imposed on Kenya's 3,000,000 natives by the 18,000 Europeans settled there, but early in the Autumn a new kind of story came out of Nairobi as a group of Europeans formed a vigilance committee to protect themselves against the Crown Colony government. Headed by Lord Francis Scott and Lord Errol, the Kenya Convention of Associations, or "Settlers' Parliament," met on Sept. 10 to denounce administration expenditure, the unbalanced budget and high taxes, and to demand a devalued currency, the formal proscription of Asiatic and native farmers in the highland areas now occupied by Europeans, and a more vigorous prosecution of the case for an administrative union of Kenya, Tanganyika and Uganda. Since the government, headed by Governor Sir Joseph Byrne, "did nothing, postponed everything, hoped for the best and gave way only under the greatest pressure," the settlers felt compelled to organize themselves.

The position of the Governor was that as head of a Crown Colony he alone was responsible to the Colonial Office for financial matters, that taxes levied on Europeans were too low rather than too high, that no currency tinkering was possible and that if constitutional changes were made it would be by the Crown or by the Colonial Office. Before the end of September, however, the Governor had so far given in as to appoint a local committee to "explore the burden of agricultural indebtedness," and on Oct. 7 the Colonial Office announced that it had named Sir Alan W. Pym, formerly of the Indian Civil Service,

to inquire into the whole matter of the colony's finances.

The question of closer union between Kenya, Tanganyika and Uganda was settled by Malcolm MacDonald, Colonial Secretary, in a dispatch to the Governors of the three territories made public on Oct. 28. In 1931, Mr. MacDonald pointed out, a Joint Select Parliamentary Committee had considered the case for administrative and fiscal union and had rejected it. In the opinion of the government there were no "adequate grounds" for re-examining the issue.

#### THE STATUS OF MALTA

Strained relations between Great Britain and Italy bring into the lime-light again the British Crown Colony of Malta, situated not far south of Italy in a position of great strategic importance.

Largely Italian and Roman Catholic in sympathies, speaking Italian and

a local dialect rather than English, the Maltese were in 1921 granted a Constitution and a responsible Ministry. Anti-British agitation led to a suspension of these privileges in 1930. An investigation by a royal commission resulted in the restoration of self-government in 1932, but in November, 1933, the privileges were again withdrawn, and they remain so at the present time. Under authority of a series of Letters Patent, Italian as a language of instruction and official usage has been severely restricted; an ordinance of March 6, 1935, abolished all student committees and associations, unless purely religious, in the local university; on Sept. 14 the press was placed under strict censorship and the importation of so-called seditious printed matter forbidden; on Oct. 16 the export of coal and scrap metal was permitted only under license. Undesirable Italians have been deported and extraordinary defense preparations have been undertaken.

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## Premier Laval Has His Troubles

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By FRANCIS BROWN

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THE uncertainty that has gripped French political life for many months continued into the late Autumn. The Laval Ministry, heavily engaged both at home and abroad, kept a bold face, although there were recurring rumors that the Premier would resign without waiting for a vote in Parliament. Events did nothing to strengthen his position, but at the moment his opponents were unwilling or unprepared to take the government out of his hands.

Premier Laval has done much to make himself unpopular with the

Radical Socialists and the other parties of the Left. The numerous decrees issued since the adjournment of Parliament have aroused intense hostility among large bodies of voters. While these emergency laws were intended to save the franc by a rigorous policy of deflation, the government's opponents insist that they have served only to reduce mass purchasing-power and to make the lot of the average man a little harder. As yet there has been no business recovery, but M. Laval declares that it is too soon for it to be apparent.

Though a good deal of political capital has been made of the decrees, the Laval Ministry is under fire for other reasons. The Premier, it is freely asserted, has definite Fascist leanings, which he has indicated both by his open friendliness for Italy and by his complacent attitude toward the Croix de Feu, the French semi-military organization that has caused so many disturbances in the past couple of years. Alarmists have gone so far as to declare that M. Laval is planning a Fascist coup d'état, although evidence is lacking.

Throughout October, however, the Premier managed to overcome various obstacles in his path. First of all, he won a striking vote of confidence when on Oct. 20 he was elected to the French Senate from the two Departments in which he had presented his candidacy. This triumph was personal, for the elections in themselves showed a slight drift to the Left. The Radical Socialists lost eight seats, while the Dissident Socialists gained one, the Orthodox Socialists four and the Communists two.

Hardly were the Senatorial elections out of the way when the Radical Socialist party met in Paris for its annual congress. Since the party has admitted its dislike for Laval's government of concentration there was some reason to fear that it might order the Radical Socialist Ministers to resign from the Cabinet. Such a decision would have brought down the government. Thanks in part to the influence of Edouard Herriot, who was re-elected president of the party, this danger was averted.

The crisis has presumably been only postponed, for the congress declared that before the budget is debated in Parliament, laws for the dissolution of the Croix de Feu and other Fascist leagues must be enacted. If this de-

mand is not met, the Ministry may be upset. The Radical Socialists have announced that if the Fascist leagues are not dissolved they will begin to form their own military organizations.

The Cabinet in the meantime has been having trouble with the budget. As prepared by the government, the 40,000,000,000-franc budget for 1936 was to be in balance. Expenditures for armaments, estimated at 6,000,000,000 francs, were to be covered by a loan and carried in a separate account. When the proposals were laid before the Finance Committee of the Chamber it was quickly apparent that sharp differences of opinion would develop, and develop they did as debate continued throughout October. Despite the government's insistence that its deflationary policy would be nullified if the Finance Committee began to approve exemptions from the 10 per cent cuts in salaries and pensions, the committee went ahead and voted to exempt certain categories. Thus a balanced budget began to seem very unlikely, and prolonged debate in Parliament was to be expected.

There was reason to wonder whether in any event the budget could be actually balanced, since the tendency for revenue to fall has for several years played havoc with the government's calculations. Unless business recovery sets in, revenues will probably once more fall below estimates. Direct taxes for the first nine months of the year came to 2,748,000,000 francs, 890,000,000 francs less than in the same period of 1934. Indirect taxes and the income from State monopolies totaled 19,658,000,000 francs, 913,000,000 francs less than in 1934 and 3,492,000,000 francs below estimates.

Premier Laval, speaking before the Finance Committee of the Chamber, admitted that he was depending upon world-wide business improvement to



rescue France from her economic difficulties. If that be true, the harsh deflationary policy pursued by his government would seem to be only a diversion. Likewise, not too much importance could be given to the avalanche of decrees let loose on Oct. 31. While many of these were without economic significance, some among the more than 400 laws did touch the people's pockets. For instance, borrowers are now to be allowed to pay back debts before they are due, thus permitting them to repay sums borrowed at high interest with money borrowed at lower rates.

In the decrees some observers thought they detected a Fascist note. The dissemination of false news reports is forbidden. Does this infringe upon the freedom of the press? The French public are forbidden to address insults to the heads of foreign States. Does this likewise open the way for the suppression of opinions unpopular with the powers in Paris?

A week before the publication of these decrees three others were issued in an apparent attempt to meet the Radical-Socialist demand that the Fascist leagues be suppressed. The first requires that the police be given three days' notice of any public demonstration. Permission may be refused if public order seems to be threatened. The second regulates the importation and carrying of arms. The third permits the government to disband any organization that endangers the stability of the nation.

The Radical Socialists, whose congress met on Oct. 24, the day after the three decrees had been issued, denounced them as wholly inadequate and insisted that only the complete dissolution of the leagues would suffice. To enforce their demand they could point to the riots for which the Croix de Feu has been responsible.

Early in October the Fascist Croix de Feu clashed on several occasions with Communists, usually because the Croix de Feu provoked trouble by holding rallies in localities known to be Communist in sympathy. The *Echo de Paris*, a paper in close touch with the Croix de Feu, announced on Oct. 9 that Colonel de la Rocque, leader of the organization, was traveling all over France preparing the provincial branches "for the period now opening." Exactly what this might mean no one knew, but *Le Populaire*, the Socialist party organ, published documents that seemed to show that Colonel de la Rocque and the general staff of the Croix de Feu had worked out a plan to overthrow the Republic.

Colonel de la Rocque denied the authenticity of these documents and asserted that his organization was seeking to defend the Republic against Socialist and Communist attacks. He did not, however, answer specifically a statement issued on Oct. 10 by the Deputies of the Left which read: "All accounts agree in confirming the existence throughout the country of a veritable plan of mobilization of an armed and organized para-military character." Possibly both sides are seeing a boggy man, but whatever the truth, it now looks as if one of the cries in next year's election will be, "Down With the Fascist Leagues!"

#### THE AFTERMATH OF STAVISKY

The malodorous Stavisky case has reached the court room, twenty-two months after the disappearance of the director of the Bayonne municipal pawnshop. On Jan. 9, 1934, Alexandre Stavisky was found shot in a villa near Chamonix. Suicide, said the authorities, but rumor spread that Stavisky had been killed to seal his lips. During succeeding weeks the scandal broke one Ministry after an-

other and became the pretext for the riots of Feb. 6, 1934, which for a time seemed to endanger the régime.

Exactly who was involved in the scandal that arose from Stavisky's issuance of fraudulent bonds has been a matter of prolonged judicial investigation, as have the extent and nature of his swindling. Forty-eight separate reports were brought into court on Nov. 4 when twenty defendants in the affair came up for trial. So complicated and extensive is the evidence that it was believed that the trial would last for a month, perhaps longer.

#### *BELGIAN BUSINESS UPTURN*

Belgium, faced with a 200,000,000-franc deficit this year, expects that the 1936 budget will be in balance. Recent announcements from official quarters fixed the 1936 budget total at 10,327,000,000 francs, and declared that without increased taxation this sum would be met by current revenues. Economies in government operation and conversion of the public

debt are partly responsible for this improvement in government finances.

The Belgian Government anticipates that general business recovery will lighten considerably the cost of unemployment relief, and with this in view has lowered the appropriations for relief from 900,000,000 francs in the present year to 650,000,000 francs in 1936. It is hoped that many of the unemployed will be removed from the dole by the public works program that the Van Zeeland Ministry has planned.

There were many indications in October of improving business. The registered unemployed declined from 300,000 to 160,000. Coal consumption was rising as a token of renewed industrial activity. On the Brussels Bourse stock prices moved upward. Finally, cordial conversations between Premier Van Zeeland and the French Minister of Commerce led to the belief that Belgium would be allowed to export to France goods in greater amount than the present French quota system permits.

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## Germany on Short Rations

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*By* SIDNEY B. FAY

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A SHORTAGE of food made itself felt in Berlin and many other German cities during the late Autumn. Meatless and butterless days were decreed, hoarders were arrested, unofficial ration cards were issued and purchasers were forced to stand in queues for their allotments.

According to the official explanation, the fodder crop in 1934 had been so poor that many animals had been slaughtered, causing a shortage in dairy products and pork. Increased purchasing power, moreover, had

raised the demand for foodstuffs, while the government's import restrictions had reduced the normal supply. An unusual amount of hoarding, it was added, had aggravated conditions.

The shortage was none the less a cause of irritation and unrest among the population, and, together with increasing food prices, led to absence from work, minor strikes and small anti-Nazi demonstrations. Unemployment, moreover, increased by 114,000 in the month of October, as compared

to a decline of 14,000 in October, 1934. Approximately 1,000,000 men were expected to be added to the unemployed rolls as soon as weather conditions made outdoor work impossible.

Germany's campaign to provide for the needy during the Winter by "voluntary" donations began on Oct. 13 with the first of the monthly "one-dish" meals. Hitler and other officials made speeches urging the nation to contribute to the Winter Help Work Fund, and as an example the German Labor Front and German Railways employes gave 1,000,000 marks each. The I. G. Farbenindustrie, three leading banks and a number of other concerns donated 100,000 marks each. To avoid duplication of effort, organizations like the Red Cross, the Inner Mission and Caritas were instructed to solicit, not on their own behalf, but in conjunction with the Winter Help Work.

By a Cabinet decree of Oct. 18 the State banks in Bavaria and other German States were placed under the direct control of Hjalmar Schacht, Minister of Economics. This gives Dr. Schacht the necessary powers to finance the campaign against unemployment and for rearmament. It frees State banks from local State laws and is a step forward in the policy of unifying the national banking and credit system.

German foreign trade returns for September showed a further rise in exports. Imports remained unchanged, giving a favorable balance of 55,000,000 marks (approximately \$20,000,000). The national industrial output for the first half of 1935 was about 15 per cent greater than that for the corresponding period of 1934. Tax revenues for the half-year were up by nearly the same percentage.

The German-American commercial treaty of 1924, the most-favored-na-

tion clause omitted, was continued in force by an exchange of ratifications on Oct. 7.

#### STUDENT CLUBS DISSOLVED

On Oct. 18, exactly 118 years after liberal-minded German students gathered together in the famous Wartburg festival to celebrate their spiritual liberty and national unity, the last of the student fraternities which grew out of this festival were finally dissolved. The ribbons and caps of the *Corps* and *Burschenschaften* which had for more than a century given color and life to German university towns were worn for the last time and then buried with the dead past. It was the final act in a conflict between the student societies and the National Socialist régime that had been smoldering for over two years.

The conflict was inevitable. The *Corps* and *Burschenschaften* represented a favored social class; from their membership had come high government officials and leaders in industry, trade and the professions. To the Nazis, with their principle of the common good before the individual good, the fraternities were feudal, aristocratic, reactionary. They had refused to be coordinated with the National Socialist Student Association; they had been generally critical of the government. In May the aristocratic Saxo-Borussia Corps at Heidelberg had held a noisy champagne feast during the broadcasting of Chancellor Hitler's Reichstag speech and had frivolously discussed the question of whether the Fuehrer ate asparagus with a fork or with his fingers.

As a result of this, Baldur von Schirach, Reich Youth leader, ordered all corps members under his control to resign from their corps. Herr Derichsweiler, head of the National Socialist Student Association, was more lenient, and gave the corps until

July 10 to accept an offer of political and ideological training in Nazi camps. This date was later extended to July 25. Eventually, however, the inevitable had to be faced. Early in October the Koesener Senior Convent, a corporative association of more than a hundred local corps and fraternities, voted to dissolve itself. Shortly afterward most of the exclusive corps, such as the Borussia of Bonn, the Saxo-Borussia of Heidelberg and the Saxonia of Kiel and Goettingen, disbanded.

These dissolutions were victories as well as defeats in that the organizations refused to allow themselves to be coordinated and to accept the "Aryan paragraph," under which Jews could not have become members and Jews already members would have had to be expelled.

The *Burschenschaften*, which participated in the final act of the drama, that of Oct. 18, made a complete surrender. They gave up their old names, their caps and their ribbons and agreed to transform their fraternity quarters into "Comrade Houses" where Nazi ideals would prevail; they became part of the National Socialist Student Association headed by Herr Derichsweiler. As he pointed out, the revolutionary spirit which gave rise to the original organizations after Prussia's defeat at Jena in 1806 had blended with the Nazi revolutionary spirit which had saved Germany after her defeat in the World War.

#### GERMAN CHURCH CONFLICT

An apparent settlement of the conflict between the German Totalitarian State and German churchmen proved during the last weeks of October and the beginning of November to have been an illusion. After a temporary truce both Catholic and Protestant clerics found themselves again at

odds with the Hitler government.

Late in September Dr. Hans Kerrl, Minister for Church Affairs, intimated to the Prussian Confessional Synod in session at Berlin-Steglitz that he was ready to drop Reichsbishop Mueller of the official Nazi Evangelical church if the Opposition pastors would accept a provisional State administration headed by a moderate churchman. The pastors refused the compromise and insisted on passing, against Dr. Kerrl's wishes, three resolutions embodying their grievances.

The first of these resolutions complained that pastors had been arrested or forbidden to preach and that church periodicals had been suspended. The second embodied a defense of the baptism of Jews, to which Nazi leaders had objected. The third definitely denounced Dr. Kerrl's recent order that pastors must submit to financial boards set up by the State in March. These boards were established to supervise the expenditure of the State contribution to the upkeep and administration of the Evangelical church in Prussia, and while many pastors appreciated the right of the State to oversee the use of public moneys, they felt that control of the purse-strings might be used to favor the official Nazi church at the expense of the Confessional church.

Regardless of these resolutions, Dr. Kerrl announced on Oct. 3 that he would establish a Reich Church Committee to regulate and represent the Evangelical church and to bring about harmony between the forces of Reichsbishop Mueller and the Confessional Synod. As named on Oct. 14 the committee consisted of eight churchmen who, while generally in sympathy with the Hitler government, had not identified themselves with either side in the conflict. In their manifesto accepting their task the appointees re-



affirmed the doctrinal position of the church as laid down in the Evangelical Church Constitution of 1933 and added: "The unshakable foundation of the German Evangelical church is the Gospel. \* \* \* All church work, its theology and administration, must serve the preaching of this gospel. We therefore exhort the Evangelical churches to stand loyal and obedient to Folk, Reich and Fuehrer. We say 'yes' to the National Socialist creation of a Folk on the basis of race, blood and soil."

This manifesto was acceptable to the Opposition in that it repudiated the anti-Christian tendencies of certain Nazi leaders. Yet it dealt with none of the grievances brought forward in the Berlin-Steglitz resolutions, reaffirmed Nazi racial doctrines and, in the words of Bishop Marahrens, Opposition leader, was the work of a body "possessing no authority from the church."

For a few weeks the Confessional pastors, without signifying their formal submission to the new committee, seemed to accept it as a compromise. Dr. Kerri, in the meantime, made a series of conciliatory gestures. On Oct. 20 he ordered a halt on all secret police activities against the Opposition, permitted the reinstatement of pastors who had been expelled from their pulpits and informed Reichsbishop Mueller that his resignation would be in order. Several members of the government, including Chancellor Hitler, made statements calculated to show that Germany would proceed upon the path of "positive Christianity, not that of anti-Christian doctrine and neopaganism."

But by Oct. 29 it was clear that the peace was illusory. All church news

bulletins, journals and circular letters were ordered to pass through the Propaganda Ministry before distribution. Reichsbishop Mueller refused to resign, and the government appeared unwilling to force him to do so. Secret political police on Nov. 1 refused to allow Opposition pastors to inaugurate their new theological seminary in Berlin and a few days later suppressed another independent seminary at Barmen.

Dr. Kerri had sought a settlement with German Catholics as well. He reopened conversations regarding the suppressed Catholic Youth organizations and on Oct. 29 agreed that Catholic churches might fly the papal flag and the Nazi swastika separately, the former on religious holidays, the latter on Nazi holidays. But on Nov. 2 a Berlin priest was fined for failing to fly the swastika during a Nazi district leader's funeral, and a Stuttgart priest was sentenced to four months' imprisonment for political libel. These and other moves indicated that relations between Germany and the Vatican were being strained to the breaking point.

#### SWISS NATIONAL ELECTIONS

Elections to the Swiss National Council and Council of States were held on Oct. 27. Despite the severe economic crisis that holds Switzerland in its grip, there were few overturns. The Nationalist (Nazi) party and the Italian Fascists lost ground while the Socialists made some gains. Sentiment, as far as it could be gauged, seemed to approve retention of the gold standard and adherence to the government's stated policy of meeting present conditions by adopting moderate measures.

# A Spanish Political Scandal

By WILLIAM E. LINGELBACH

THE Spanish Cabinet which took office on Sept. 25 had a brief history. Although the Cortes when it re-assembled on Oct. 1 gave its approval to the Ministry formed by Premier Joaquin Chapaprieta, it was almost immediately upset by a bribery scandal involving two of its members. The Premier, however, quickly re-formed his government.

Charges of bribery were brought against members of the government and the administration by Daniel Strauss, a Mexican citizen, who claimed that he had distributed 2,000,000 pesetas (the peseta is currently quoted at about 13 cents) in the proper circles in order to obtain a gambling concession at the fashionable resort of San Sebastian. He secured the concession but was allowed to operate it for only a day.

These charges caused a major sensation. Ex-Premier Lerroux, whose name was brought into the scandal, offered his resignation as Foreign Minister while denying all knowledge of the affair. Characterizing the charges as "so much political blackmail," he demanded that a judicial investigation be held to vindicate his honor.

Opposition members of the Cortes, who were about to interpellate the government on the bribery charges, were blocked when the Premier appointed a Parliamentary commission of inquiry. On Oct. 26 the commission reported that evidence had been found involving at least eight persons close to the government, among them the nephew and adopted son of For-

eign Minister Lerroux. The commission concluded that there was reason for court action.

Following this report the Cortes ordered that legal measures be taken against all the accused officials except the Mayor of Madrid, who resigned his office. To facilitate the investigation Alejandro Lerroux on Oct. 29 withdrew from the Cabinet along with his close associate, José Rocha, Minister of Education. In the reconstituted Cabinet José Martinez de Valesco became Foreign Minister.

At the opening of the Cortes the Premier, who is also Minister of Finance, presented his budget, which he declared could be readily balanced because of the 800,000,000 pesetas saved by the economy program inaugurated under the previous administration. Among the economies was the elimination of four Ministers and hundreds of minor officials. Despite the Premier's optimism the estimates for 1936 presented to the Cortes later in the month showed a deficit of 148,000,000 pesetas. While the government declared that it would adopt the program of the Lerroux Ministry, it announced that particular attention would be given to finance and budgetary reform.

In line with this policy, the government ended the state of martial law in Barcelona and Catalonia, turning over the administration of law and order to the civilian authorities and the Civil Guard. The severe press censorship was lifted and the political headquarters of the parties of the Left were allowed to reopen.

# Greece Returns to Monarchy

By FREDERIC A. OGG

GREECE is once more to have a king. A military coup d'état on Oct. 10 made a restoration certain, while a national plebiscite on Nov. 3 gave the return of George II the appearance of popular approval.

The first step was the announcement by the Tsaldaris government on Sept. 18 that on the first Sunday in November the Greek people would be asked whether the eleven-year-old republic should be upheld or the monarchy restored. The Royalists, however, were not willing to wait so long for the people's verdict. Parliament was scheduled to assemble on Oct. 10, and when it met that day a military coup d'état under the leadership of Field Marshal George Kondylis, a former ardent Republican, was carried out, the republic abolished and monarchy proclaimed. Under pressure, and disavowing all responsibility for what was being done, Premier Tsaldaris resigned. Martial law was proclaimed; all telegraphic and telephonic communication with foreign countries was cut; public buildings were placed under guard and the streets filled with parading soldiery. But not a shot was fired.

There was some appearance of regularity, however, for amid scenes of wild rejoicing in the Parliament Building the lawmakers hastily enacted bills which rescinded the Republican Constitution, restored the monarchy and revived the Monarchist Constitution of July, 1911. Marshal Kondylis was made Premier and also Regent pending King George's return from England, while it was decreed

that the plebiscite of Nov. 3 should be held so that the people might confirm the change in government. Although President Zaimis did not go through the formality of resigning, that made no difference, for his office was simply wiped out. The new Premier-Regent called on him at his seaside villa, informed him of what had happened and thanked him for his past services.

Why the Royalist leaders decided to take a short cut is not clear. Republicans were confident of winning in any fair test of sentiment; Crete, Epirus, Macedonia, Thrace and several of the Aegean islands were known to be Republican, and it was at least doubtful whether Royalist preponderance in the Peloponnesus and other areas could tip the scale. Perhaps, therefore, the Monarchists were afraid of the outcome and preferred to present the voters with an accomplished fact. At all events, with the aid of the military the short cut was taken, and one more *kinéma*, as the Greeks call such a military excursion into politics, was added to the long list. The public merely blinked.

As the date for the plebiscite approached, Republicans, though rigidly repressed, pinned their hopes to a popular repudiation of the work of the military, to dissensions known to exist among the Monarchist elements, and to a possible refusal by King George to accept a throne at the hands of "revolutionists." Monarchist authorities continued to insist that the country was quiet and that troop movements were aimed only at insuring

complete order during the voting. But denials could not conceal the existence of Republican revolt in Crete and elsewhere, and in the closing days of October former Premier Alexander Papanastasiou, the most formidable Republican leader, after being given his freedom, was again arrested and sent to the island of Mykinos.

In the end the Republican leaders decided that the cards were too thoroughly stacked against them and accordingly fell back upon a boycott. Surreptitious orders to abstain from voting were widely circulated, and though on the day of voting public order was everywhere maintained and electors were permitted to visit the polls without molestation, the abstentions of both Republicans and Communists was almost complete. As a result, Minister of the Interior Schinas was able to announce on the evening of election day that the vote in the country as a whole was 98 per cent monarchist and in Athens 99 per cent.

The return to monarchy was not without international significance, for the restored king has had the strong personal support of the British royal family and it was generally believed that his restoration had been aided by a British banker. Exactly how much of a hand the British Government had in placing George II on his throne would be hard to discover, but it probably was considerable since Britain in the present state of European affairs is anxious to have a pro-British régime at Athens.

#### *THE NEW POLISH MINISTRY*

The Polish Cabinet resigned on Oct. 12, and for the first time in nine years a new government was formed without Pilsudski's guiding hand. The Slawek government had assumed office a few weeks before his death and from the first considered that its

work would be done when the new Constitution had been set in motion, a national election held, and Parliament convoked. Its resignation, therefore, caused no surprise.

As had also been anticipated, the new Premier selected by President Moscicki was Marjan Z. Koscialkowski, Minister of the Interior in the previous Cabinet. Representing the left-wing Pilsudski bloc, he significantly did not belong to the "Colonels' Group." Forty-three years of age, he had achieved distinction as a commander in the war with the Bolsheviks, as an active member of the Sejm since 1923, Governor of the Province of Bialystok, President of the city of Warsaw, and finally Minister of the Interior. As a Cabinet officer, his principal achievement had been to work out a pacific agreement with the Ukrainians, who, unlike the Polish Opposition, did not boycott the recent elections and are represented in the new Sejm. Koscialkowski has all along, in fact, shown a liberal attitude toward racial minorities. Colonel Joseph Beck, long in charge of the Foreign Office, retained his post in the new Cabinet, but for the most part, the old guard was swept aside to make room for new blood. The new Ministry issued a strong appeal for national cooperation, and the Premier, on the day following his appointment, not only called the first press conference in eight years but invited to it representatives of Opposition papers.

Former Premier Slawek, in a farewell speech to the Provincial secretaries of the organization on Oct. 30, announced the dissolution of the Pilsudski party, or "non-party bloc in cooperation with the government," as it was officially called, on the ground that not only had the group fulfilled its purpose, but parties were no long-



er needed or recognized under the new electoral law.

Against a background of friendly relations with Germany and Hungary there stand out a marked increase of Polish friction with Czechoslovakia, the Soviet Union and Rumania and diminishing hopes of an understanding with Lithuania. The likelihood of Poland's joining a revisionist bloc with Germany, Austria, Hungary and Italy is regarded as neither greater nor less than it was while Pilsudski was alive and directing Poland's foreign policy.

#### CZECHOSLOVAK POLITICS

Czechoslovakia has not escaped the impact of the German National Socialist movement upon its German-speaking citizens. Last Spring the newly formed Sudete German party led by Konrad Henlein secured two-thirds of all the German votes cast in the general election. Henlein, to be sure, disavowed Fascist aims, and in particular disclaimed any designs on the political integrity of the Czechoslovak Republic, but the party's basic principles and outlook are regarded as a product of the Nazi spirit. Apprehension in government circles has not been allayed by the recent restlessness of Henlein's followers.

Toward the end of September, for example, more than 50,000 German-speaking inhabitants of Northern Bohemia assembled at Haida, a centre of the Czechoslovak glass industry, to demonstrate their solidarity and to urge the government to adopt more energetic measures regarding unemployment. At the meeting the party reiterated its loyalty to the republic and its willingness to cooperate with the existing government. But the leader declared that if the government could not or would not alleviate the prevailing distress, the Sudetic Ger-

mans must be allowed to take whatever measures were necessary to help themselves. The Czech press continues to assert that the formation of the Sudetic party is wholly alien to the spirit of Czechoslovak institutions and that it flourishes simply upon the misery of the Germans in North Bohemia.

Premier Jan Malypetr resigned on Nov. 5 in order to stand for election as Speaker of the Chamber of Deputies, and Dr. Milan Hodza, Minister of Agriculture and leader of the Agrarian party, became Premier. As there were no significant changes in the Ministry, the Malypetr domestic and foreign policies were expected to be continued. Parliament met in mid-October to consider various measures arising out of the nation's economic difficulties. Among them were proposals to reduce interest rates, to allocate public funds for schemes of productive investment and to supervise prices, especially of foodstuffs, in order that the masses might obtain adequate supplies at prices in harmony with the prevailing salaries and wages.

#### THE TESCHEN DISPUTE

Czechoslovak relations with Poland have been strained for some time, principally because of the renewal of Polish claims to that portion of Teschen, a small coal-mining district, which in the peace settlement of 1919 was awarded to Czechoslovakia. Some months ago a Czech journalist was expelled from Poland, and on Oct. 19, when the Czechoslovak Government withdrew the exequatur of the Polish Consul at Moravska-Ostrava, the Polish authorities retaliated by treating similarly two Czechoslovak Consuls in Polish territory. On Oct. 28 10,000 Czechoslovak soldiers and civilians staged a demonstration on the Teschen

border for the benefit of crowds of Poles gathered on a near-by hilltop.

#### *FASCISTS IN YUGOSLAVIA*

A Fascist movement which has been growing in Yugoslavia for some time came into the open shortly after the middle of October and plunged the country into one of its periodic political crises. The occasion was the election by Parliament on Oct. 20 of a new Speaker. The government candidate, Mirko Kommenovitch, was opposed by former Speaker Steva Ciric, candidate of the powerful Yeftitch Opposition which is now disclosed to be definitely Fascist. Stormy scenes were enacted in the Chamber, and when Ciric won by a vote of 171 to 138, shouts of "Resign," "Resign"—directed at Premier Stoyadinovitch—rang through the hall and corridors. The Premier, flatly refusing to yield, declared that his government was indifferent to Parliament and would get along very well without it.

Under the present Constitution, the government is not dependent upon Parliamentary support. Certainly, it has no majority support today. Nevertheless, it was generally believed that the defeat of Oct. 20 was a body blow and that before long Premier Stoyadinovitch and his colleagues would find themselves at the end of their tether. The Premier justified his defiance by explaining that he and the nation want the old Alexandrian dictatorship replaced by a democratic régime, whereas Parliament, now unmistakably controlled by former Premier Yeftitch, is headed for fascism. The Premier's stand won the unexpected support of the normally hostile Croats and Serbian Democrats.

#### *UNSETTLED BULGARIA*

The story of the conspiracy that prompted the Bulgarian Government

to proclaim martial law on Oct. 2 and to order the arrest of numerous army officers and other persons is now believed to have been exaggerated. It was originally charged that the supposed leader, Colonel Damian Veltchev, aimed at nothing less than the assassination of King Boris and the proclamation of a republic. Later evidence tended to show that nothing was contemplated beyond a paring down of the royal prerogatives and a restoration of government monopolies abolished by the present régime. At the end of October Colonel Veltchev and about two dozen other officers, along with a few civilians, were still being held for trial—in some cases on charges punishable by death under the military penal code. Former Premier Gueorguiev and several of his political friends, who were among those arrested, were released on Oct. 16.

The position of Premier Andre Toshev's government has been reported precarious because of internal dissensions. Colonel Veltchev continues highly popular with the army. With the press muzzled, and even private political discussion forbidden, rumors fly thick and fast. The old parties believe their time is coming, but the army vows that it shall not.

#### *A NEW ALBANIAN MINISTRY*

Fresh evidence of Italian political pressure upon Albania was supplied in October, not only by the refusal of the little kingdom to enforce sanctions against Italy but by the resignation of the Cabinet at Tirana when some of its members refused to follow a pro-Italian policy. A new Cabinet was formed on Oct. 21, with Mehdi Frasheri, former Minister of Economics and one-time Albanian delegate to the League of Nations, as Premier.

# Socialist Gains in Denmark

By RALPH THOMPSON

DENMARK on Oct 22 elected a new Folketing, or lower parliamentary chamber, to take the place of that dissolved by royal decree three weeks earlier. The result was that Premier Stauning's Socialist-Radical coalition government increased its majority, the Social-Democrats gaining six seats and the Radicals retaining the fourteen they already had. The two major Opposition parties, the Conservative and the Liberal, lost, respectively, one seat and ten seats, six of these going to the victorious Social-Democrats, the other five to a dissident Liberal faction, the newly formed extremist farmers' organization known as the Landbrugernes Sammenslutning.

The principal reason for the election was Premier Stauning's desire to secure from the country confirmation of his policy of State control of foreign trade. Opposition elements had attacked this policy on the general ground that the value of the krone was too high—some because they wished a more advantageous position in buying foreign manufactures, others because they hoped to lower wages at home, still others (here the extremist farmers took the lead) because a devalued krone would mean higher prices for agricultural exports and reduced interest on the agricultural debt burden.

At the polls, however, the electorate supported the Stauning principles, and the Opposition parties were seriously weakened. On Nov. 4 the Premier reconstructed his Cabinet, naming new Ministers for the portfolios

of trade, defense, religion, education and public works. The party representation in the government—nine Social-Democrats and three Radicals—remained unaltered.

## MEMEL ELECTIONS

Not only was the balloting for the Memel Diet (see November *CURRENT HISTORY*, page 216) a long-drawn-out and complicated affair, but the very task of counting the ballots took an extraordinary time, and not until Oct. 14 were the official results announced. When all the excitement had subsided, it was found that 55,716 persons had voted for the German candidates, 12,925 for the Lithuanian. The party representation in the Diet, therefore, was the same as that in the previous one—twenty-four German Deputies, five Lithuanian.

At this writing no reports of the convocation of the new Diet had been received, although earlier dispatches indicated that it was to take place on Nov. 6. German sympathizers were aroused by the announcement late in October that the Lithuanian Government had set up a court to interpret the provisions of the Memel Statute in case of dispute between Lithuanian and Memelland authorities. This the Germans called yet another attempt to render illusory the autonomy of the territory. A dispatch from Kaunas on Oct. 15 announced that M. Kurkauskas, Governor of the Memel Territory, had resigned, but this fact was immediately contradicted by the Lithuanian authorities.

# The Triumph of Soviet Planning

By EDGAR S. FURNISS

RECENT shifts in Soviet policy bear witness to improved economic conditions throughout the union and a brighter outlook for the future. The government has been particularly encouraged by the progress made in the nation's industries. The summaries prepared for the Planning Commission in mid-Summer were so favorable that the schedules of industrial output were advanced to very ambitious levels for the last quarter of 1935, during which production is expected to be 22 per cent above that for the last quarter of 1934, with heavy industry alone showing an increase of nearly 30 per cent. These, of course, are only forecasts, but the record for the first nine months of 1935 makes it seem certain that the schedules will have produced in three months almost as much as in the entire year 1928, when the planned economy program was launched—that is, an increase of nearly 400 per cent in seven years.

This achievement has had an enormous effect on the outlook of the people and the temper of the government. The Soviet rulers are now confident that they have won the battle for economic planning, despite the innumerable technical problems of centralized planning and despite the human material with which these problems have had to be tackled. In recent years, moreover, military needs have weighted the program disproportionately on the side of heavy industry, thus increasing the privations of the people and the discipline required by governmental control. This year's experience seems to demonstrate that both tech-

nical and disciplinary obstacles have been surmounted. Heavy industry is now able to guarantee sufficient supplies for military needs, and the government is accordingly prepared to relax pressure on the people in favor of more liberal policies. The population has responded buoyantly to the altered situation.

Even more striking is the success of the agrarian program. By early October the greatest cereal crop in Russia's history—estimated at between 100,000,000 and 110,000,000 metric tons—had been harvested. Deliveries to the State grain elevators were completed a month earlier than in 1934 and in much larger quantities. Now that the collection quotas are fulfilled the government intends to purchase large additional quantities of grain at prices higher than those set for the official quotas. In agriculture, no less than in industry, the authorities feel that the principle of collectivist effort under centralized control has triumphed. They are particularly pleased that the State farms have increased their output by about 15 per cent over last year. Almost equally gratifying is the efficient use by the collectives of the machine methods of cultivation that have been urged upon them in recent years.

These results indicate that the struggle to establish a large-scale collectivist agriculture has been won. Apparently the popular attitude has changed, for peasant resistance to the program has almost completely disappeared, even in the regions which only recently seemed on the verge of



civil war. Thus, the North Caucasus, which was the scene of widespread and bitter opposition three years ago, ranks in the 1935 harvest among the leading grain districts of the country both for total crop production and for promptness of delivery to the State's agencies.

The record harvest is of immense practical value quite apart from its being a test of collectivism. According to figures of Russian grain production compiled by students in other countries, the harvest in 1928, at the beginning of the Five-Year Plan, was about 73,000,000 tons, but in 1932, at the end of the five-year period and after two years of aggressive collectivization it had fallen to 70,000,000 tons. This decline was all the more serious because the population of Russia was increasing so rapidly that there were 11,000,000 more people to be fed in 1932 than in 1928. Compared with pre-war days the outcome of the first great attempt at collectivization was a drastic reduction in the standard of life.

By 1933 it was clear that unless there could be a great and rapid improvement the whole program for a planned economy must collapse through inability to prevent starvation. At the same time a sudden increase of military needs brought an unforeseen and dangerous factor into an already difficult situation. With so much at stake the Soviet leaders have viewed the past two years as decisive in their program, and this year's success comes as a relief to prolonged tension and anxiety. Allowing for the increase of population since 1913, the 1935 harvest will provide a per capita supply of food above the pre-war level and at the same time give the government a surplus for military and other emergency needs.

Government decrees reflect this

rapid change for the better. One group is intended to reward the peasant population and to stimulate increased effort by increasing individual freedom and more fully satisfying their economic needs. These changes of rural policy were enacted at intervals during the Summer as the success of the harvest appeared more and more assured. First, the collective farms were granted ownership in the land they occupied; then the individual farmers were given permission to own larger quantities of personal property; then amnesty was granted former kulaks and their children, re-establishing their right to equal privileges as members of the collectives; and, most recently, the government has undertaken a drastic reform of the village stores which supply the peasant households.

The failure of these stores, more than anything else, has been responsible for the abject poverty of rural Russia. Each village has had a store belonging to a nation-wide cooperative system, but practically none of them ever carried goods of the slightest use to the peasants. The new decree reorganizes the entire system, adds 5,000 large stores to those already in existence, and contributes 80,000,000 rubles from government funds to get the new program under way. The large increase in factory output makes it possible to start supplies of much-needed household goods flowing at once toward the villages, and already the provision of ordinary necessities is greatly improved.

The government, however, intends much more than the mere relief of basic human needs. Higher official prices for grain and freedom to sell in the open market have given the peasants purchasing power that will extend to comforts and even minor luxuries. Orders for delivery in the

rural districts during the final quarter of 1935 show the trend of peasant demand for goods of higher quality and greater variety. For instance, orders for cotton textiles have increased 46 per cent as compared with last year; for ready-made clothing 23 per cent; for footwear 18 per cent; for window glass 500 per cent. Many articles formerly unknown in peasant households, such as toilet preparations, gramophones, radios, bicycles, toys, reading materials, are now on sale in the village stores. The Soviet Government promises to assist this advance in the cultural level of rural life by having adequate supplies of these and similar goods available in the villages before the end of another year.

The urban population has shared in the new privileges through the abolition of the food-rationing system. For the first time in six years the city people on Oct. 1 were allowed to buy food of their own choice in unlimited quantities. The government heralded this new era of plenty by reducing food prices from 20 to 40 per cent, enlarging the existing food stores and increasing their number. On the first day of free buying, supplies of all forms of foods and even delicacies were unusually plentiful. The new system eliminates the "closed shops" and the whole structure of cooperative stores in the Russian cities, leaving the purchase of food open to all classes on equal terms at uniform prices fixed by the government. Incidentally, these changes have wiped out a privilege of the higher Soviet officials who enjoyed special advantages under the ration system. For some months, too, the stores carrying goods other than foodstuffs have been supplying increasing quantities of such wares in greater variety and of higher quality than ever before.

To the mass of the Russian people higher living standards are expressed most obviously in the increased purchasing power of the paper rubles in which they receive their money income. So long as irredeemable paper money was being poured out to finance the deficits of Soviet enterprise, it was hardly possible to increase the real value of money incomes. During the year, however, the government has been able to make rapid progress toward stabilizing its monetary system. Large branches of industry have been placed on a self-financing basis, thus doing away with the necessity of issuing more paper money. At the same time the gold cover of the currency in circulation has been substantially increased, owing to a remarkable expansion in Soviet gold production, which has now reached an annual total of \$400,000,000, a 400 per cent increase in the space of two years.

Since the Soviet Union has paid off most of its foreign trade indebtedness and no longer has a current adverse balance in international trade, these new supplies of gold need not be lost in foreign commerce but can be added to the reserves of the State Bank. In mid-Summer the Soviet gold reserve totaled nearly \$900,000,000; and it is expected to increase to over \$1,000,000,000 by the end of 1935. This reserve is larger than that of most other countries and puts Russia in a position approaching that of Great Britain and France. Russia is now, in fact, within striking distance of currency stabilization, an act which would raise the domestic purchasing power of Soviet money at a time when the productive forces of the country are working independently toward the same end. Some such monetary policy was forecast by Finance Commissar G. F. Grinko in an official statement pub-

lished in *Pravda* on Oct. 6, in which it was asserted that the "material foundations" for stabilization had already been established.

The definite gains in material welfare have been matched by an equally obvious rise of popular optimism. This would come inevitably from improved living standards, but the altered temper of the government has had much to do with it. Not only through the decrees mentioned above, but also through a general slackening of the rigor of espionage have the dictators given the population reason

to feel that the period of extreme tension has ended. The number of arrests and executions has fallen markedly of late, and it is significant that these acts of dictatorship represent political terrorism much less frequently than before. Recent cases have dealt almost wholly with specific charges of corrupt practice in office rather than with the formerly vague accusation of "counter-revolution" or political disloyalty. Moreover, they are individual cases, not mass affairs involving wholesale attacks on regional or class groups.

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## Egypt and British Policy

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By ROBERT L. BAKER

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THE pride of patriotic Egyptians of all parties has been seriously hurt during the Italo-Ethiopian crisis because of Great Britain's disregard for Egypt's nominal sovereignty. British troops have marched in the streets; Alexandria has been made British naval headquarters in the Eastern Mediterranean; immense reinforcements have been sent to the great military airport at Aboukir, and a number of fresh British troops have been landed.

Egyptian leaders are not satisfied with the explanation that the British High Commissioner consulted and gained the approval of Nessim Pasha, the Egyptian Prime Minister, because the latter is widely regarded as a tool of the British. Nessim is an independent and, though well-liked personally, has no political following. For a year he has ruled the country by decree and without a constitution or a parliament. Even before the Ethiopian crisis became acute there was general

disappointment because he had failed to get the British to agree to the restoration of the Constitution of 1923 and, under it, to the election of a truly representative parliament to which the government would be responsible.

The leading Egyptian party, the nationalist Wafd, has been grateful to Nessim Pasha for many of the reforms he has brought about and especially for his restoration of the rights of free speech and free assembly. Last June the Wafd leaders recognized his good intentions as well as the formidable obstacles he faced in putting them into effect, and agreed not to press him.

The war in Ethiopia naturally altered the situation. The British became adamant against changes in Egypt while the crisis lasted, and found it necessary to make wide use of Egyptian territory for military and naval bases. And Nessim was in no

position to gainsay them. During October the resentment of the press against him became so great that for a time it appeared that the Wafd might withdraw its support.

On Oct. 23, however, the moderates in the Wafd succeeded in winning a respite for Nessim, and on Nov. 7 the British sought to strengthen Nessim's position by giving assurances that Egypt's status would not be changed and that British warships would be withdrawn from Alexandria as soon as the crisis is over.

This situation was completely altered by Sir Samuel Hoare's references to Egypt in his Guildhall speech of Nov. 9. After expressing Great Britain's gratitude for Egypt's cooperation in sanctions against Italy, he denied that the British Government was opposed to the return in Egypt of the "constitutional régime suited to her special requirements." By failing to make it clear that the British did oppose such a return at the present time, the British Foreign Minister appeared to place the blame for not restoring the Constitution squarely upon Premier Nessim. The Wafd found itself unable to make allowances for Sir Samuel Hoare's ill-considered or rather ill-worded statement, and on Nov. 12 decided to withdraw its support from the Premier. Whether Nessim would be forced to resign remained to be seen.

There does not appear to be any genuine antipathy toward Great Britain among the Egyptians. British policy in regard to Ethiopia is in fact generally approved. But Egyptians of all parties desire recognition by Great Britain as an ally. Such recognition would require a treaty defining rather clearly the position of Great Britain in Egypt. The treaty in turn would have to be ratified on the part of Egypt by a representative parliament,

which is not possible without a constitution. As Great Britain has shown no inclination to deal with the treaty question in normal times, it is extremely unlikely that she will do so now.

#### *TURKEY NIPS A PLOT*

A plot against the life of Mustafa Kemal Ataturk, President of the Turkish Republic, was discovered in August and the conspirators arrested, but no announcement was made until Oct. 17. Involved in the plot were six Circassians and a Deputy in the Grand National Assembly on whose farm near Adana the conspirators met after entering Turkey from Syria. All of those implicated are awaiting trial.

#### *A NEAR EASTERN PACT*

It was learned in London on Oct. 20 that a pact pledging non-aggression and amity had recently been concluded at Geneva by the representatives of Turkey, Iraq and Iran. It was believed that Afghanistan and Saudi Arabia would also become parties to the pact. Diplomatic circles at Geneva found assurance in the agreement that the recent tension between Iraq and Iran over boundary questions would be lessened.

#### *MINORITY RIGHTS IN IRAQ*

Iraq gave new notice to the world in mid-October that her minorities can expect no privileges. Troops were sent against the Yezidis, or devil-worshippers, for refusing to register their names with the army under the National Defense Law. Yezidi losses are reported to have been heavy, and martial law was established in their communities. The captured insurgents were tried by court-martial, many being sentenced to imprisonment and one to death. Their leader, Daud Al-Daud, escaped with his sons to Syria, from whose authorities the Iraqi Government is asking their extradition.



# China Abandons Silver

By GROVER CLARK

**F**LEXIBLE export taxes and strenuous efforts having failed to stop the flow of silver from China toward the vaults of the United States Treasury, the Nanking Government on Nov. 3 made the drastic move of taking China's currency off a silver base and putting it on managed paper. By an official order of the Minister of Finance, all holders of silver are required to surrender it to the government-owned Central Bank of China, accepting notes at face value in exchange. Notes of the Central Bank, the Bank of China and the Bank of Communications are to be legal tender for all purposes and for the payment of all debts. Finance Minister Kung declared that the foreign exchange rate would be maintained by unlimited purchases of foreign exchange and that currency speculators would be dealt with sternly.

The move was designed to check the steady fall in prices that has accompanied the rise in the value of silver brought about largely by the American purchases. As things stood, the bullion value of a Chinese silver dollar was distinctly more than the face value of the coin. Consequently, the deflationary movement was being rapidly accelerated, and something had to be done. But as a move by itself it is hard to see justification for the order or to feel that any real benefit will result; as a step toward going on the gold standard, which has been discussed for some time, or toward radical currency reform, it may be worth while. There seems little likelihood

that the Chinese Government will be able to get into its hands all the silver in the country or even a substantial part of it; good hard silver is too tangible a reality, compared with paper banknotes, for the Chinese to give up.

The Japanese, according to Shanghai and Tokyo reports, became indignant when they learned what China had done about its currency—not, apparently, because of the move itself but because the Nanking Government actually had had the audacity to make the move without getting Japan's permission. They also thought that perhaps the British had stolen a march on them by arranging the loan which was rumored.

It is an interesting coincidence that Nanking acted shortly after the arrival in China of Sir Frederick Leith-Ross, Economic Adviser to the British Treasury. While in Japan, where he spent two weeks before going to China, he was successfully vague in response to Japanese inquiries as to whether Britain intended to play with Japan, or with China against Japan, in maintaining her economic and other interests in the Yangtze Valley and elsewhere, and also whether Britain was planning to offer China a loan of £10,000,000, as rumored.

After Sir Frederick left Japan the British Ambassador was more specific. On Nov. 6 he officially assured the Japanese Vice Minister for Foreign Affairs that the British Government desired to cooperate with Japan in helping China and that it had not acted individually. With the report

of this statement the news was given out that on Oct. 31 Britain had suggested that Japan join in a loan of £10,000,000 for currency stabilization in China. This proposal, the Ambassador let it be known, was not one for which Leith-Ross was responsible; in fact, it only partly embodied his views. The Japanese press reaction was that Japan should not participate in such a joint loan. As no decision had been reached by Nov. 3, when Nanking made its currency move, that move could not have been the result of securing either a British or a British-Japanese loan.

#### *HOSTILITY TO CHIANG KAI-SHEK*

Revolver shots which nearly took the life of Wang Ching-wei, the Chinese Premier, and wounded two lesser members of the Kuomintang Central Executive Committee on Nov. 1 temporarily postponed the sessions of the committee, which was about to make preparations for the national congress of the party. The shots were fired by a Chinese newspaper man in protest against the submissiveness of Premier Wang and the Nanking Government to Japan. The Premier, though seriously wounded, is expected to recover.

The growing hostility to Chiang Kai-shek and his régime at Nanking and to continuing submission to Japanese demands found less explosive but more significant expression at Canton. Marshal Chen Chia-tang, the virtual dictator of Kwantung Province, refused to yield to Japan at Swatow, and backed up the refusal by concentrating troops around the city. Then, on Oct. 18, he declared most emphatically that Kwangtung would fight if Japan invaded the Province. He scathingly criticized the Nanking régime for not resisting Japan, but added that "while many profound differences exist between the Southeast and Nan-

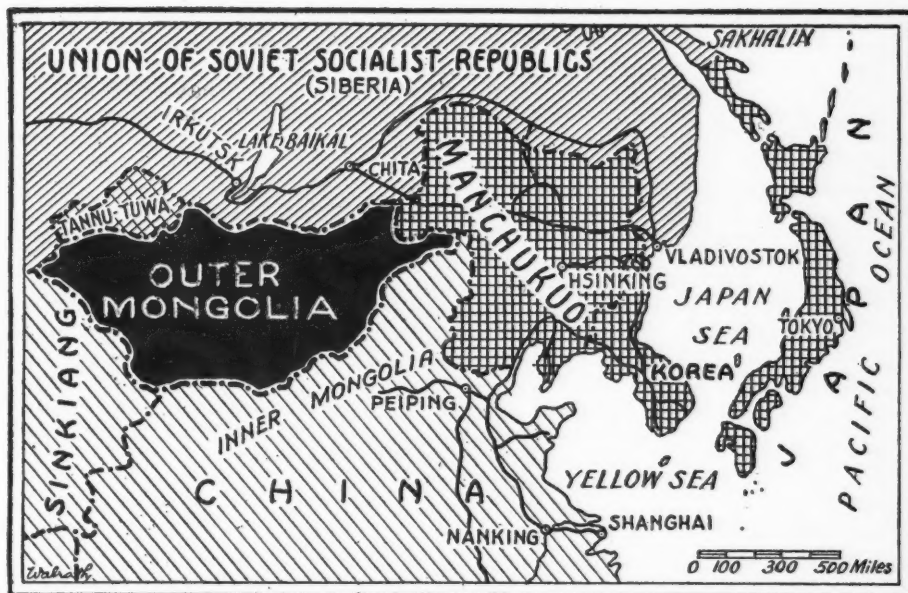
king over domestic and foreign policies," Nanking would have to strike the first blow if a civil war came.

Chiang seems to have realized that he might face trouble even at Nanking. Through the latter part of October, troops steadily moved into that area. Ostensibly they were assembled for Autumn manoeuvres. Some Japanese said they thought the troops were to practice resisting a "foreign invasion," and waxed indignant over this further evidence of Chiang's lack of "sincerity." Chinese and others saw in the troop concentration preparations by Chiang to overawe the Kuomintang National Congress and to crush any possible outbreak against his authority. Whatever the reason, the troops gave Chiang continued complete mastery in the Lower Yangtze region.

Chiang, who had arrived in Nanking from his headquarters in Szechuan, seems to have been less completely successful in his protracted anti-Communist campaigns than the official reports would indicate. For instance, all the Communists were supposed to have been cleaned out of Hunan. But toward the end of October a large group of them started marching across country from Changteh to the Yangtze. Then they vanished behind the censor's smoke screen. Reports from the Northwest tell of the arrival in Shensi and Kansu Provinces of fairly large bodies of Communist troops from Szechuan. Kwangsi Province also reports renewed Communist activities.

#### *JAPAN'S DEMANDS IN CHINA*

Shortly after Mussolini launched his drive into Ethiopia the Japanese leaders concluded that the time had come for a general overhauling of Japan's dealings with and in China. The opportunity presented by Eu-



Outer Mongolia, which Japan hopes to use as a wedge to separate China from Soviet Russia

rope's preoccupation was one reason for this decision. Another was the fact that for several months Japanese military officers in China, especially the loquacious General Isogai, Military Attaché of the Japanese Embassy, and General Tada, commandant at Tientsin, had been considerably more bellicose in their utterances than either the Foreign Office or the general staffs at Tokyo liked. Tokyo does not seem to have differed with the army spokesmen in China on Japan's general objectives, but it has wanted a little more of the velvet glove and a little less of the mailed fist.

The Tokyo authorities accordingly sent the chiefs of the China sections of the Foreign Office, the Army General Staff and the Navy General Staff to China to "present the Japanese Government's views" in a series of meetings of high Japanese military, naval and diplomatic officers in China. These three chiefs left Japan on Oct.

7, and the meetings were held during the two following weeks. The first subsequent official move was to present a strongly worded note to the Chinese authorities at Peiping and Tientsin demanding effective action in stopping anti-Japanese activities. Less formal statements by the Japanese Ambassador and by the talkative army leaders made it clear that Japan still would hold to her three "irreducible minima": Complete suppression of all anti-Japanese activities throughout China, economic cooperation in North China, and effective action to prevent the spread of communism into the Inner Mongolian Provinces of Suiyuan and Chahar.

If the Chinese will "show sincerity" in meeting these demands, the Japanese statements have it, there will be no need for further Japanese military action; otherwise Japan may be compelled to take direct and forceful action for the sake of the suffering

people of China. This may mean the creation of an independent political régime including the five North China Provinces, and perhaps the dispatch of Japanese troops to "help" Chiang Kai-shek put down the Communists.

The trouble at Swatow over Chinese collection of what the Japanese claim were illegal taxes on imported rice has been ended, by what looks a good deal like a Japanese backing down, incredible as that may appear. The Chinese authorities, as demanded by the Japanese, released one boat carrying rice and bean oil which they had seized for non-payment of provincial agricultural products taxes. But this was after the taxes had been paid, and they refused to stop collecting the tax on rice imported from Formosa. Troops were gathered in considerable numbers and hastily entrenched around the city, in case the Japanese tried to use force. The incident was closed, at least for the moment, when, on Oct. 18, all the ten Japanese warships, except one destroyer, sailed away after being a month at Swatow. Not one of the major Japanese demands had been granted.

The Japanese were more successful at Hankow. A Japanese intelligence officer there discovered that the Chinese soldiers were using, in rifle practice, targets painted like the Japanese flag. The Consul General, extremely indignant over the insult, demanded the dismissal of the Chinese commanding general and the suppression of all anti-Japanese activities. The Chinese said the soldiers had been using targets like these since 1900. But they looked at the Japanese warships anchored off the Hankow Bund and on Oct. 9 the general was dismissed and the promise was given.

In the far north new border clashes between Russians and Japanese on Oct.

6, 8 and 12 resulted in the death of several soldiers on each side and the wounding of others. Protests, replies and counter-protests duly followed. There were two principal points of disagreement: Which side was guilty of invading the territory of the other? Should Russia deal with Japan or with Manchukuo? Moscow proposed the immediate creation of a commission of investigation. Tokyo suggested a commission to delimit the frontier exactly. The newspapers grew fervid, but the officials on each side seemed eager to avoid making a big issue out of the incidents. Significantly enough, however, Moscow in its latest statement on the subject, on Nov. 5, took occasion to reveal that the military position of the Soviet army in the Far East had been greatly improved by the completion of the double-tracking of the Transsiberian Railway from Chita to Khabarovsk and the construction of a modern highway from Khabarovsk to Vladivostok.

#### JAPANESE TRADE

Figures recently made available indicate that Japan did distinctly less well in her foreign trade balance in 1934 than in 1933. The combined visible and invisible trade for the whole empire in 1933 showed a net balance of payments due to Japan of 12,900,000 yen. In 1934 there was instead a net loss of 136,900,000, or a change to Japan's disadvantage of 149,800,000 yen from 1933. [The current value of the yen is 28.68 cents.]

Government finances improved slightly, though income from other sources than loans still fell far below expenditures. Reports of the "Big Six" private banks show that at the end of June, 1935, total deposits had increased 1.7 per cent over Dec. 31, 1934, and 4.1 per cent over June 30, 1934.



# On the Margin of History

## American Guidebook

**T**HE unemployed writer as well as the unemployed laborer and mechanic is being cared for under the New Deal. Among the recently adopted projects of the Works Progress Administration is one to prepare a five-volume tourist's guide for the whole United States. From 5,000 to 6,000 white-collar workers now on relief rolls will be kept going for fifteen months in collecting the necessary information. The administrators of the project in the various States will serve as dollar-a-year men, leaving nearly all the \$3,000,000 allotment for wages. The first volume, dealing with the southeastern region, is expected to be available for tourists next Winter.

## Profits From Italy's War

Several countries in Central Europe and the Balkans have enjoyed something like a boom because of Italy's adventure in East Africa. Austria's exports to Italy for the first six months of 1935, for example, were 250,000 tons larger than for the same period in 1934. These sales were chiefly lumber, steel, chemicals and medical supplies. Czechoslovakia has furnished unusually large quantities of coal and canned goods. So great have been Italy's purchases of gasoline and livestock from Rumania that the latter's exports to Italy for the first seven months of the year exceeded the total for the entire year of 1934. Even Yugoslavia, with whom Italy's relations have not been very cordial, has received orders for large quantities of lumber, cement and dried plums. Turkish exporters were also enjoying a thriving business with Italy until the League condemned Italy as a violator of the Covenant.

## Colonies for All

When Great Britain offered to cede a strip of British Somaliland to Ethiopia if Ethiopia would make territorial concessions to Italy so as to avert war, the

suggestion was not new. Writing on "The Next War and How to Nip It" in *Scribner's* for April, 1927, Professor Albert Guérard of Stanford University pointed out that the basis for future conflict lay in the fact that Germany had no colonies and that Italy had none worthy of the name. If Portugal and Belgium, possessed of African territory out of all proportion to their position in Europe, would, he remarked, give up some of their land and "if France and England jointly would match, mile for mile, what Portugal and Belgium had to jettison, a very handsome mass would be created wherewith to satisfy Italy and Germany."

## Self-Effacing King

King Victor Emmanuel III of Italy, who has been on his throne thirty-five years, believes that the function of a constitutional monarch is to be "a permanent under-secretary to successive Premiers." It is said that only once has he departed from this self-denying ordinance, to wit, when he signed the decrees that gave the Fascists absolute power. But since Mussolini took control there are those who think that the King has so completely effaced himself—or been forced to do so—that he has not even the authority of one of the various under-secretaries through whom Mussolini tries to administer seven or more of the departments of the Italian Government.

## Emperor in a Cage

Somewhere in Southwestern Ethiopia, close to the border of the British colony of Kenya, a former emperor lives in a gilded cage. He is Lij Yasu, cousin of Haile Selassie and grandson of the great Emperor Menelik II. Lij Yasu got control of Ethiopia in 1913, but his reign was cut short when Zauditu, daughter of Menelik, seized the throne with the aid of the present Emperor. Since that time Lij Yasu has been a closely guarded

prisoner, although reports insist that his confinement has been made somewhat easier by luxurious surroundings. The former ruler was imprisoned near Harar until the Italian advance into Ethiopia made it wise to transfer him to a remote part of the country where there would be small likelihood of his being freed by the invaders and used as a puppet emperor to stir up further trouble for Haile Selassie.

### "Ethiopian Litany"

*South African Opinion*, Johannesburg, offers the following "Ethiopian Litany":

From the tram and the motor cycle,  
from the factory and the mine shaft,  
From the bomb and the submarine  
and chemical warfare,  
From the misleading headline and the  
omniscient journalist,  
From the munitions king and the loud-  
mouthed demagogue,  
From the shirts—black, brown or any  
imitation,  
From the white man's justice to his  
black neighbor,  
From the starvation in the midst of  
plenty,  
In short, from Western civilization—  
Oh, God of Shem and Ham, deliver us!

### "Uncle Arthur's" Passing

A former soldier in the Salvation Army died on Oct. 20 in a London nursing home. He had also been an iron worker, a member of Parliament and of several British Cabinets. And in December, 1934, he received the Nobel Peace Prize. "Uncle Arthur" Henderson, as he was widely known, devoted his life to the creation of a strong British working-class party and his last years to world peace. For a generation he was a leader in the Labor party and a force for moderation in its counsels. Unlike his former colleague, Ramsay MacDonald, he supported a vigorous prosecution of the war, although after it ended he strove for friendly relations between the Allies and Germany. As Foreign Secretary he resumed diplomatic relations with the Soviet Union. Arthur Henderson's career reached its apogee when in 1932 he opened the International Disarmament Conference at Geneva, and as its president in the years that remained to him he gave all his energies to its purposes.

Ill health and disappointment dogged him, however, and at 72 his course was run.

### German Navy Chief

Erich Raeder, recently appointed Grand Admiral of the German Navy, served as a young officer directly under von Tirpitz. From 1910 to 1912 he was navigation officer of the Kaiser's yacht, Hohenzollern; during the World War he was Chief of Staff to Admiral Hipper and took part in the battles at the Dogger Bank and at Jutland. Later, he wrote the official history of the destructive campaign waged against enemy commerce by German surface craft. It was Raeder who was largely responsible for the "pocket battleship" program and for the secret naval construction that led to the Anglo-German naval agreement of 1935.

### Nazi Who's Who

A sort of Who's Who and Official Directory of Germany, published under the title *Das Deutsche Fuehrerlexikon* for 1934-1935, contains in its 700 pages a vast amount of information concerning leaders of the Third Reich. But as the book was being made ready for the press the Nazi party suffered its purge of June 30, 1934. The consequence is that in the biographical sections dozens of spaces were left blank. Certain indexes, however, were already printed, so that unpleasant memories could not be banished by the simple expedient of omitting a few inches of type. In these instances the publishers pasted small pieces of paper over offending names. But by holding the pages to the light one may thwart the censorship and discover that among the Nazi members of the Reichstag not so long ago there were such personages as Karl Ernst, Hans Hayn, Edmund Heines and Ernst Roehm.

### Habsburg Love Tragedy

Nearly fifty years ago—in 1889—Crown Prince Rudolf, heir to the throne of the Habsburg Empire, was found dead at his hunting lodge at Mayerling, outside Vienna. At his side, also dead, lay the Baroness Marie Vetsera, with whom

he had been presumably in love. Was it a suicide pact? Or had the Crown Prince been murdered? At the time the Austrian court did everything to hush up the scandal, while those who knew the truth held their tongues. What seems the final answer to the mystery has at last been given through the publication on Oct. 21 of the memoirs of Countess Lonyay, Rudolf's widow. A farewell letter from the Crown Prince to his wife leaves little doubt that he killed the Baroness Vetsera and then himself. To this letter, which is reproduced in the memoirs, the former Crown Princess adds the comment: "He never loved Marie Vetsera. She was only one of many for him. But she loved him truly, and I am glad to be able to say this although I was the deceived wife."

### Hungary Remembers

In the United States there is no shortage of memorials to Europeans who fought for American freedom, but corresponding European tokens of devotion to Americans are extremely rare. Therefore especial interest attaches to a movement now under way in Budapest to erect a monument to the memory of Major General H. H. Bandholtz, who, as American representative on the Inter-Allied Military Commission in 1919-1920, protected Hungary against the ravages of Rumanian soldiers. It was he who prevented the pillaging of the Hungarian National Museum by sealing the doors with notices written in long hand and decorated (to secure the desirable official touch) with A. E. F. censors' rubber stamps.

### French Diplomatic Chief

While French Foreign Ministers come and go, continuity of policy is safeguarded at the Quai d'Orsay by the permanent Secretary General who watches hawklike over French diplomacy. Knowing its traditions, aims and methods and working behind the scenes, he is often more important than the Foreign Minister who stands in the spotlight. Today this power is exercised by Alexis Léger, who was born forty-eight years ago in an island of the French West Indies. On the eve of the World War, after plan-

ning first a career in medicine and then one in law, he entered the foreign service and was sent as a consular attaché to China. Intelligent, penetrating reports sent back to Paris brought Léger recognition at the Foreign Office, and in 1921 he was appointed to the permanent secretariat. Thereafter he rose rapidly, the more so because Aristide Briand found in Léger a confidant and friend. In 1933, a year after Briand's death, he was made Secretary General at the Quai d'Orsay, where, practically unknown to the general public, he is the virtual chief of the French diplomatic service.

### Ulster's Fighting Man

Flags were lowered to halfmast in Belfast, capital of Northern Ireland, on Oct. 22, when news came of the death of Edward Carson, who had been raised to the peerage as Lord Carson in 1921. He had one of the most colorful careers in recent British history for he was always fearless in speech and act, not hesitating even to call Lloyd George "a little popinjay." Born in Catholic Dublin on Feb. 9, 1854, he spent some of the best years of his life fighting for Protestant Ulster. A brilliant record at the bar, which included the posts of Irish Solicitor General and British Attorney General, was made notable by Carson's appearance in several famous cases, including the trial of Oscar Wilde. He sat in the House of Commons for nearly thirty years and rose to Cabinet rank, but he was best known for his hostility to any Home Rule scheme that would bring Ulster under the control of Catholic Ireland. In the pre-war days this led him to help in the formation of a volunteer army in Ulster—Carson's Volunteers—to resist Irish Nationalist rule by armed force if necessary. The World War temporarily ended the struggle, and in the years after 1918 he supported the settlement that left Ulster outside the Irish Free State.

### Jobs From Sweepstakes

The Irish Hospital Sweeps, run on three great English horse races, are responsible for the third largest business in the Irish Free State as far as direct employment is concerned. About 1,700

girls get regular and well-paid work in the Dublin offices of the Sweeps, and for some weeks before each of the drawings every year about 4,000 are on the payroll. In the past fifteen years £27,348,986 (about \$136,000,000 at present exchange) has been distributed in prizes, while a third of that sum has gone to hospitals.

### 100,000,000 Japanese

Japan's fourth quinquennial census was taken by 250,000 census workers on the night of Oct. 1. Results will not be announced until the end of the year, but it is expected that the total population of the empire will number 100,000,000.

### More College Students

Enrolments at forty-four State universities and land-grant colleges were 8.3 per cent greater in 1935 than in 1934, according to reports received by the National Association of State Universities. The gains for institutions in the different sections of the country ranged from 2.1 per cent in New England to 10 per cent in the Pacific Coast States. The increased enrolments are regarded as another sign that economic conditions have improved in every section of the country. Part of the increase has, however, probably been due to the National Youth Administration, which aids needy aspirants for a college education.

### Life on Mars?

Ever since Percival Lowell suggested that the dark markings on the planet Mars were irrigation canals, there has been a great deal of speculation about the possibility of life on that planet. Most of the astronomers who have gone into the theory were skeptical from the first and long ago became convinced that it was untenable. Dr. Loring B. Andrews of the Harvard University Observatory, recently summing up the evidence against the existence of human beings on Mars, pointed out that the atmosphere of the planet contains only one-quarter of 1 per cent as much oxygen as the atmosphere of the earth at sea level, and for that reason alone the possibility of human life is infinitesimally small. Dr. Andrews admitted, however, that

since temperature conditions are not extreme and water exists, there may have been enough oxygen at some time in the past to support human beings.

### Shaw for Nudism

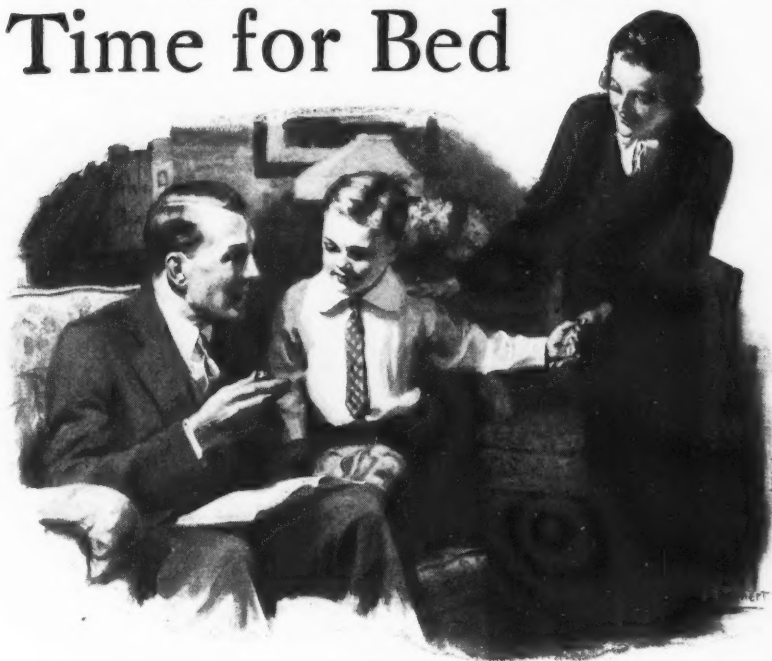
George Bernard Shaw, who is now in his eightieth year, has just come out in favor of nudism. The provocation seems to have been a remark made by a Bishop of the Church of England that any one who visited a nudist camp was no gentleman—or lady, as the case might be. Shaw thought it would be a good thing to send the Bishop on a tour of tropical lands, for "by the time he returns he will get a violent shock if he finds any one with any clothes on whatsoever." Denying that there was anything unmoral about nakedness, Shaw repeated the statement made by others before him that "the whole secret of sex appeal lies in clothes."

### Prize Plays

One result of the dissatisfaction caused by recent awards of the Pulitzer Prize for the best American play of the year is that the dramatic critics of New York have decided to make their own award. Not the least unfortunate result of awarding the prize to the best play in a given season is that some years might produce several that are all more worthy of recognition than the best in other years. In this way a good writer may never get on the prize list. Meanwhile, the complete texts of all the plays, except the last, that have won the Pulitzer Prize have been collected in a single volume (*The Pulitzer Prize Plays*, 1918-1934. Edited by Kathryn Coe and William H. Cordell, New York, Random House, \$3.50), so that one may form an idea of how much they have contributed to American drama. For the most part they turn out to be interesting, though hardly great. Yet, after making all allowances for the anomalies inevitable in any system of prize-giving, these sixteen plays as a whole show how considerable has been the diversity of interest and skill among our playwrights in the past eighteen years.



# Time for Bed



**C**HILDREN must have the proper amount of sleep in order to grow, to fight off disease, to become alert mentally and strong physically. Foremost child experts prescribe the definite amounts of sleep which children should have at various ages (shown in the chart). A child should be in the right frame of mind when he goes to bed. If he has been unduly excited, it is difficult for him to relax.

Adults, too, should have the proper amount of sleep. Each day they burn up tissue which rest helps to restore at night. During hours of physical and mental activity the body accumulates fatigue poisons which are thrown off in sleep.

Pain, worry, bad digestion are sleep-thieves. Prolonged loss of sleep makes one irritable and below par, mentally and physically. The tendency to insomnia may often be successfully combated in various ways—sometimes by taking a walk before going to bed—reading a non-exciting book—drinking a cup of hot milk, but above all, by learning to relax. Let go of every muscle,



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2 to 5 years . . . . .	13 to 15 hours*
6 to 7 " . . . . .	12 hours
8 to 10 " . . . . .	11 hours
11 to 12 " . . . . .	10 to 11 hours
13 to 15 " . . . . .	10 to 12 hours

\*Including daytime sleep

(Compiled from U. S. Children's Bureau Folder 11, "Why Sleep?")

ease every tension, drop your problems until tomorrow and let yourself sink into the bed instead of holding yourself rigidly on top of it. Even though you do not actually go to sleep, such repose will bring a good measure of health repair. But when loss of sleep is persistent, a physician should be consulted.

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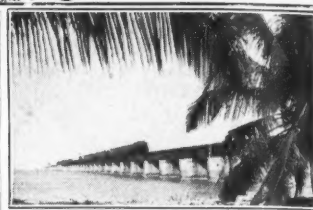
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Before me, a notary public in and for the State and County aforesaid, personally appeared Julius Ochs Adler, who having been duly sworn according to law, deposes and says that he is the General Manager of The New York Times Company, publishers of Current History, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of March 3, 1933, embodied in Section 537, Postal Laws and Regulations, to wit:

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## A TRAVELER'S NOTEBOOK

LUSAKA, inaugurated in June as the capital of Northern Rhodesia, was a jungle four years ago. Professor Adshead of London University selected the site and drew up a plan that has been carefully followed. Today a very handsome little capital city is taking form, and, surprisingly enough, in a climate resembling that of England.

\* \* \*

Among the attractions of Santiago, Chile, is one of the finest boulevards in the world—the Alameda de las Delicias. Broad and tree-lined, it runs for two miles through the centre of the city. Between the driveways are luxuriant flower gardens and statues in honor of famous Chileans.

\* \* \*

In the Hope collection of jewels in the South Kensington Museum, London, is the largest pearl ever found. It weighs nearly a quarter of a pound and is 2 inches long and  $4\frac{1}{2}$  inches in circumference.

\* \* \*

An "out-of-the-way-place" tour around the world is being organized for the Spring. The unusual itinerary includes the primitive East Indian island of Nias, which has never been visited by cruise ships. The royal processions, strange customs and exotic dress of Nias are said to rival those of Bali. Later the tour will include a ten-day houseboat journey in the Vale of Kashmir.

\* \* \*

The Bermuda Government has appropriated \$235,000 for the improvement of the Bermuda Airport. It is expected that air-service between New York and Bermuda will be available in the near future.

\* \* \*

Winter sports enthusiasts who plan to go abroad will find adequate facilities for skiing, skating and bobsledding not only in the Swiss, French, Italian, Austrian and German Alps, but also in Poland, in the Carpathians and in the Sierra Nevada high above Granada, Spain. There are also a number of Winter sports centres in Japan.

\* \* \*

The Mill on the Floss, at Gainsborough, England, which was immortalized by George Eliot, was burned late in August by its owner as "an industrial slum dangerous to life."

\* \* \*

At Verson, at the mouth of the Gironde River near Bordeaux, France, a 225-foot granite shaft to commemorate two episodes in Franco-American friendship is nearing completion. It marks the spot where Lafayette sailed to aid the American revolutionists in 1777 and where the first detachments of the

A. E. F. landed in 1917. A model of the monument is now on view in the Smithsonian Institution.

\* \* \*

Cuba's fine Central Highway is a monument to the Machado régime of otherwise unsavory memory. The road, which cost more than \$100,000,000, runs for 705 miles through the centre of the island. It is nearly twenty-one feet wide and has no grade crossings.

\* \* \*

British India is governed from New Delhi, where a handsome group of government buildings was dedicated a few years ago. The Legislative Building alone covers 13 acres. Its vast size is indicated by comparison with the area covered by other great public buildings: the Houses of Parliament, London, 8 acres; the new Department of Commerce Building, Washington, 7.6 acres; the Palais de Justice, Brussels, 6 acres; the British Museum, 4.3 acres, and the Paris Opera House,  $3\frac{1}{2}$  acres.

\* \* \*

The white silk robe of the Virgin in the Cathedral of Toledo, Spain, is embroidered with 30,000 pearls, which were sent from Mexican fisheries.

\* \* \*

Centres for visiting the New Mexican Indian pueblos are Santa Fe, Las Vegas, Gallup, Albuquerque and Taos. Christmas Eve and New Year's Eve dances are held at nearly all the pueblos. At the Zuni pueblo, the largest in the State, situated about forty-five miles south of Gallup, weird sword dances are given in January.

\* \* \*

Mickey Mouse, who just celebrated his seventh birthday, is probably the most popular character in the world. Walt Disney, his creator, was presented with a gold medal recently by the League of Nations in recognition of Mickey Mouse's contribution to international good-will. Mickey has also found his way into the *Encyclopaedia Britannica*.

\* \* \*

Travel to the Southwest, to California by the southern route and to Mexico by rail and automobile, will be considerably expedited when the Huey P. Long bridge across the Mississippi at New Orleans is opened for traffic on Dec. 1. The piers on which the spans rest extend 170 feet below water-level and 90 feet beneath the bed of the river.

\* \* \*

Thousands of schoolboys in Hawaii play football barefoot. Except for shoes the game is played exactly as in the United States. One of the barefoot stars recently made a punt of seventy-one yards.



Continued from Page VI

Yet Fulton reaped the money and the glory and is generally credited today with having "invented" the steamboat.

\* \* \*

Invention has been one of the glories of America, in spite of her shabby treatment of some inventors. The possibilities of Yankee mechanical ingenuity always fascinated the mind of Mark Twain, who threw away a small fortune in backing the Paige typesetting machine. It was the rival Mergenthaler machine that eventually proved more practicable, but Mark had his fun out of his business flyer. This is apparent from a reading of *Mark Twain's Notebook* (Harper, \$4), which Albert Bigelow Paine has edited as his contribution to the Samuel Clemens Centennial. Although the contents of the *Notebook* have never been published before, there is little that is new in them, for Mark Twain rifled his notes when he came to writing his novels and his articles; he held nothing back.

When Mark Twain revisited the Mississippi Valley in later years he was oppressed by the decline of the steamboat traffic. Yet the river boats were still magical to the small boy of the early Nineteen Hundreds, as is apparent from Harry Hansen's gentle novel about a young man's life in Davenport, Iowa, *Your Life Lies Before You* (Harcourt, Brace, \$2.50). Mr. Hansen's quiet pages evoke the same sort of friendly, democratic community that is in Rose Wilder Lane's *Old Home Town* (Longman's, Green, \$2). Certainly the America described by Mr. Hansen and Miss Lane differs mightily from the America that appears in John O'Hara's *Butterfield 8* (Harcourt, Brace, \$2.50), which is the story of Gloria Wandrous, a "glamour girl" of the late Nineteen Twenties. Based on the career of Starr Faithfull, who met a mysterious death by falling from the deck of a ship, Mr. O'Hara's book about the beautiful Gloria Wandrous paints the speak-easy period to perfection. Whether the story was worth the remarkable art which O'Hara has lavished upon it is conjectural.

The story of Starr Faithfull has less meaning for us than Harold Stearns's *The Street I Know* (Lee Furman, \$2.75). Mr. Stearns, after a small town youth in Eastern Massachusetts that Mark Twain or Rose Wilder Lane or Harry Hansen would completely approve, became a sophisticate (one of the first) and led the American advance on Bohemian Paris. In a dozen years abroad Stearns consumed enough liquor to make even O'Hara's Gloria Wandrous envious. He became a sort of symbol of the Lost Generation, the living counterpart of Hemingway's early books. Now he has come home, considerably chastened and

Continued on Page XIV



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*Continued from Page XIII*

sobered, to sum up his life. *The Street I Know* is an autobiography that has a wistful charm, and it will bear reflecting upon. Put it beside *Proletarian Literature in the United States*, an anthology edited by Granville Hicks, Michael Gold, Isidor Schneider, Joseph North, Paul Peters and Alan Calmer (International Publishers, \$2.50), and Stanley Walker's very Menckonian *Mrs. Astor's Horse* (Stokes, \$3), and you will about cover every dominant American literary attitude of the past twenty years.

\* \* \*

The proletarians have organized their own book club, the Book Union, which sent *Proletarian Literature in the United States* to its subscribers as its October choice. This anthology contains much excellent stuff—stories, plays and poems by Erskine Caldwell, Robert Cantwell, John Dos Passos, James T. Farrell, Langston Hughes, Clifford Odets and many others of genuine talent. The introduction by Joseph Freeman is stimulating and intelligent.

One cannot say so much for Henri Barbusse's *Stalin* (Macmillan, \$3), which is the Book Union choice for November. *Stalin* is a work of hero worship, which might conceivably be all right. But when Trotsky's rôle in the Russian Revolution is reduced to almost nothing (Barbusse dismisses him as a "verbose Menshevik") the book becomes something of a joke.

Isidor Schneider, one of our proletarian writers who is afflicted with Trotsky-phobia, has written a warm autobiographical novel of his New York slum childhood, *From the Kingdom of Necessity* (Putnam, \$2.50). As a novelist Mr. Schneider is much more gentle and serene than when, as an editor of *The New Masses*, he sets out to skin Trotsky alive. Still, his zeal has caused him to do violence to his own character in his portrayal of Isaac Hyman, for Isidor Schneider is, by actual nature, an extremely friendly person. His Isaac is presented as more morose than the living model. Of course, this not criticism of the novel as a novel; but since the publishers tell us that the novel is autobiographical, the correction may be worth something.

For a picture of an East Side childhood of an earlier generation than Mr. Schneider's there is Helen Woodward's *Three Flights Up* (Dodd, Mead, \$3). There is an excellent picture of early New York trade unionism in this book. Helen Woodward's father was a cigarmaker. She herself escaped the East Side to a "middle class" career as an advertising writer and married W. E. Woodward, the biographer of Grant and Washington.

\* \* \*

Struggle, which is continual in both Mr. Schneider's and Helen Woodward's books, is

also the dominant note in Mari Sandoz's biography of her Nebraska pioneer father, *Old Jules* (Little, Brown, \$3). Old Jules Sandoz was a hell-roarer who had his fun and his excitement, but he was also a good farmer. He divided his time between hunting, carrying on feuds with cattlemen, "lawing" with his neighbors in a series of suits that almost broke the county, borrowing money on any and all collateral that he could get his hands on, and experimenting with plum and apple tree grafting. His story is an epitome of pioneering in the "great American desert."

Ernest Hemingway is still trying to get a kick out of observing death. His latest adventure, *Green Hills of Africa* (Scribners, \$2.50), is a book about hunting that would have been called pretentious by Old Jules Sandoz, who killed in order to eat or to rid the land of obnoxious coyotes. Although *Green Hills of Africa* is studded with good descriptions and amusing chatter about Mr. Hemingway's literary contemporaries, it is an overextended job.

There is plenty of death in Walter Duranty's remarkable *I Write as I Please* (Simon & Schuster, \$3), but here the death is significant, something that Mr. Duranty could not avoid in his pursuit of news in the Baltic States and in Russia during fifteen exciting years. *I Write as I Please* is, besides being the best book about Russia that I have ever read, a revelation of an amusing though not at all trivial personality.

After reading Duranty it is interesting to come upon Mikhail Sholokhov's *Seeds of Tomorrow* (Knopf, \$2.50), a first-rate novel that dramatizes the collectivization of the Russian poor and "middling" peasant. Sholokhov makes even the kulaks seem human, so the reader need have no fear of propaganda here.

\* \* \*

George Dangerfield's *The Strange Death of Liberal England* (Smith & Haas, \$3) is a brilliant and extremely witty essay on pre-war history. Whereas most people say that the war killed English liberalism and the Liberal party, Mr. Dangerfield thinks they had already "died the death" before 1914. Violence was rearing its head in the form of the militant suffragettes, the Tories who were bent on getting their way about the Irish Home Rule question, and the trades unions that were declaring strike after strike. And this violence was not consonant with liberalism. Mr. Dangerfield thinks England would have faced a general strike of revolutionary implications if the war had not intervened and diverted the energy.

The strike might very well have occurred, but the success of the British Conservatives (who took over the Liberal program of strategic concessions to the underdogs) in staving off revolution in the post-war world robs Mr. Dangerfield's thesis of a little of its grandeur.

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